FOREIGN AFFAIRS

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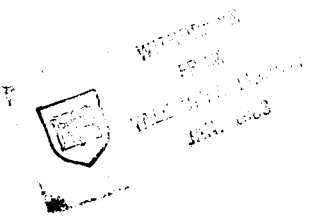

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The articles in FOREIGN AFFAIRS *do not represent any consensus of beliefs. We do not expect that readers of the review will sympathize with all the sentiments they find there, for some of our writers will flatly disagree with others; but we hold that while keeping clear of mere vagaries* FOREIGN AFFAIRS *can do more to guide American public opinion by a broad hospitality to divergent ideas than it can by identifying itself with one school. It does not accept responsibility for the views expressed in any articles, signed or unsigned, which appear in its pages. What it does accept is the responsibility for giving them a chance to appear there.*

The Editors.

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FOREIGN AFFAIRS

Vol. 26 OCTOBER 1947 No. 1

ON AN ANNIVERSARY

IN THE first issue of this review, 25 years ago, Elihu Root summed up the ideas in the minds of the men who had established it. He wrote:

"It is a familiar observation that in most wars each side believes itself to be right and both pray with equal sincerity for the blessing of heaven upon their arms. Back of this there must lie a mistake. However much ambition, trade competition, or sinister personal motives of whatever kind may have led towards the warlike situation, two great bodies of human beings, without whose consent war cannot be carried on, can never have come to two diametrically opposed genuine beliefs as to the justice of the quarrel without one side or the other, and probably both, being mistaken about their country's rights and their country's duties. Here is the real advantage of the change from the old diplomacy to the new. Irresponsible governments may fight without being in the least mistaken about their rights and duties. They may be quite willing to make cannon fodder of their own people in order to get more territory or more power; but two democracies will not fight unless they believe themselves to be right. . . . When foreign affairs were ruled by autocracies or oligarchies the danger of war was in sinister purpose. When foreign affairs are ruled by democracies the danger of war will be in mistaken beliefs. The world will be the gainer by the change, for, while there is no human way to prevent a king from having a bad heart, there is a human way to prevent a people from having an erroneous opinion. That way is to furnish the whole people, as a part of their ordinary education, with correct information about their relations to other peoples, about the limitations upon their own rights, about their duties to respect the rights of others, about what has happened and is happening in international affairs, and about the effects upon national life of the things that are done or refused as between nations; so that the people themselves will have the means to test misinformation and appeals to prejudice and passion based upon error."

It was to provide the American people with additional means for testing their opinions about their relations with other peoples that FOREIGN AFFAIRS was founded.

A world war had just been won in the name of democracy and freedom. The American people had made a decisive contribution to the victory, and in the process had become a World Power in every sense — in every sense, that is, except their own acknowledgment of the fact. It was not that they were humble. They gave their contribution full value (as, indeed, did the other victorious contributors). But they imagined that a job well done is a job finished, and they were impatient to turn back to the domestic tasks of peace and make up for time lost in the sacrifices of war. They had earned peace, and they

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thought that by victory they had won it. They had not learned, and did not want to learn, that in the history of nations nothing is ever finished and settled, that even the supreme test of victory in war writes not just the last sentence in one chapter of responsibilities but also the first in another.

For the world as a whole, nevertheless, the new chapter seemed destined to be a story of increasing integration in the relations between nations, and democratization in the relations between governments and peoples. Mr. Root therefore laid stress on the necessity that democratically organized peoples who were undertaking to control diplomacy should learn the business. And since he was specifically addressing the American people — whose intentions were benevolent, but who had just rejected the League of Nations, signed a separate peace with Germany and called for payment of the war debts without offering to buy the goods that would supply their debtors with the necessary dollars — he was more preoccupied with erroneous opinions than bad hearts. He said little about the difficulties that even a well-informed democracy might experience in dealing with governments that owed no responsibility to public opinion and informed it only of what they calculated would keep it docile.

Could Mr. Root have seen around the next bends in the road, how much sterner and more specific might his admonitions have been! Autocracy was not dead; it was not even sleeping. And the hopeful work of the new diplomacy in organizing peace, liberty and progress to withstand the predatory undertakings of the new dictators was to fail; for some that could have helped with the work refused, and some that tried to help had courage but lacked strength, and some that promised help were too cautious to give it when it might have been effective. Could he in 1922 have had premonitory flashes of what the world was to see and hear in the next two decades — Japanese armies sweeping over Manchuria, Mussolini's flame-carriers pursuing naked Ethiopians through the underbrush, Hitler blaring staccato menaces across the German frontiers, Dollfuss lying in his blood on the sofa in the Chancellery on the Ballhausplatz, Nazi and Fascist planes machine-gunning Guernica, storm-troopers herding Jews to prison and torture, Ribbentrop reviewing his Soviet guard of honor after dividing Poland with Molotov — Mr. Root's advice to Americans would still have been Study, Test and Judge, but he would have bid them apply it first of all to the fraudulent phrases of escape that were to be in their mouths so often in those years of the world's moral and political decay.

Fortunately, bad hearts as well as good ones can make miscalculations. The bad-hearted rulers of Germany, Italy and Japan did miscalculate, though by a narrow margin. To obtain their overthrow we set no boundaries to the areas of our concern. We risked our men and sent our supplies around the globe.

Again the last sentence in one chapter is the first in another. But whereas in 1919 we felt freed from responsibilities by victory, in 1947 we feel awed by the opportunities it brings and sobered by the burdens we know it lays upon us. Then we imagined we had ourselves chosen the part of war, quixotically almost, as palladins of the right; today we cannot escape the fact that it was by the choice of Japan and Germany and Italy that we had to fight. Then we exulted in the new evidences of our strength and in our security behind apparently impregnable frontiers; today, for all the triumphs of our soldiers, sailors and airmen on every continent and sea, the successful leadership of our

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statesmen in establishing the United Nations, our possession of unrivalled industrial power and the awesome atomic bomb, we have a sense of uncertainty, of dissatisfaction, of work unfinished, of peace still not won, of sadness at the misery and want which surround us.

We are right to be dissatisfied with the condition of the world two years after the victory, but we would be wrong to let our sense of bafflement persuade us to change the direction of our policy. The direction remains the same; and so long as our Government keeps its compass set by the same star the public will leave it free to show the greatest resourcefulness and vigor of which it is capable. We no longer boast, as Ambassador George Harvey did with such ineffable complacency in 1923: "The national American policy is to have no foreign policy." We have a foreign policy and we believe in it. Its cornerstone is support for the principles and purposes of the United Nations as set forth in Articles 1 and 2 of the Charter, and we should like to build on and up from this cornerstone in accordance with the blueprint agreed upon at San Francisco. The United Nations has had successes, notably in dealing with the Iranian crisis and the affair of the Corfu Channel. But its attempts to solve the fundamental problems which are today causing the world's greatest anxieties have left many of its adherents wondering whether, all differing ideas as to procedure aside, the members at present do really have identical aims. For its efforts to agree on methods for controlling atomic energy, providing forces for international police purposes, limiting armaments, discouraging and restraining aggression, even for concerting action for economic recovery, have been paralyzed, directly or indirectly, by what Mr. Stimson elsewhere in these pages calls the "everlasting No" of one Power.

In attempting to carry out the purposes of the United Nations we have already been forced in one instance to go outside its framework. We have launched the attempt to restore the self-support and self-reliance of the battered European nations by direct coöperative action, not because we or the other nations concerned wish to ignore the United Nations but because its economic organs are still in a formative stage and because the work to be done cannot wait on the veto of one Power.

Similarly, if there comes from that Power only an "everlasting No" to every attempted preparation for dealing with aggression we may be forced to find a way of reinforcing the United Nations itself, to the end that its faithful members who wish to carry out their obligations under the Charter may have the means to do so. A possible method would be for a group of members of the United Nations to enter into a supplementary protocol binding themselves to resist aggression if two-thirds of them agreed that the terms of the Charter required action and if the Security Council had failed to act. The obligation to resist aggression is laid upon all members in Articles 1 and 2 of the Charter, which set forth the organization's Purposes and Principles; the suggested supplementary action would be taken by virtue of Article 51, which reserves to members the inherent right of individual or collective self-defense if a member is the victim of armed attack and if the Security Council fails to take the measures necessary to maintain international peace and security. The two-thirds majority suggested for bringing the protocol into effect would correspond to that fixed at Rio for starting action under the new hemisphere treaty.

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Remembering that the failure of the Geneva Protocol of 1924 was the real turning point in the history of the League of Nations, we might consider whether an instrument supplementing the Charter while remaining true to its spirit might not give a new impetus to the deliberations at Lake Success and Flushing Meadows.

In a world where one is led to suggest such drastic action there is little need to emphasize that the American democracy must continue to learn its business better and better. In 1908 the man who later became the first Editor of FOREIGN AFFAIRS, Archibald Cary Coolidge, Professor of History at Harvard, published "The United States as a World Power," a book new in concept and novel in title. He ended it with a quotation from a recent speech by President Theodore Roosevelt: "We have no choice, we the people of the United States, as to whether or not we shall play a great part in the world. That has been determined for us by fate, by the march of events. We have to play that part. All that we can decide is whether we shall play it well or ill."

Sometimes we, the people of the United States, have played our part ill. Sometimes, and we like to think that on the whole this has been more often, we have played it well — late, on occasion, but still, in the end, well. Recently we seem to have been consistently one generation late. We ignored the reality seen by Woodrow Wilson in order to gratify the agreeable sense of self-sufficient power which had been implicit in Theodore Roosevelt's position at the turn of the century and which so many George Harveys were to make only too explicit in the years following. Urged on by Mr. Root and many other wise counsellors, and convinced in the end by an unanswerable teacher named History, we now have grown up to the Wilsonian reality: we know that we are strong and that we must use our strength in coöperation with other nations. But to our surprise the world of 1947 in which we have tried to act on this realization is not that of 25 years ago. The simple idea of "coöperation" does not correspond to the actualities. We have had to revise in the light of a new experience of human wickedness the assumption that good hearts plus informed minds will assume the triumph of "the right" which was such an important part of the League of Nations concept. We are not free today to describe our present problems in terms of collaboration with likeminded colleagues in a world which is gradually becoming increasingly democratic. Our problem is the stiffer one of consciously exercising power in an interdependent world in which there exist both bad hearts and erroneous opinions, and of subduing these — our own or another's — to the requirements of an international order.

In 1908 the bare fact that the United States was a World Power was adumbrated by only exceptionally acute observers. Twenty-five years ago the main implications of the fact were plain, but the American people found excuses for ignoring them. Today they know the fact, accept it, and if well and truly informed about their consequent responsibilities will not shirk them. That, perhaps, is the chief gain we can assert for this era.

H. F. A.

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THE CHALLENGE TO AMERICANS

By Henry L. Stimson

WE AMERICANS today face a challenging opportunity, perhaps the greatest ever offered to a single nation. It is nothing less than a chance to use our full strength for the peace and freedom of the world. This opportunity comes when many of us are confused and unready. Only two years ago we triumphantly ended the greatest war in history. Most of us then looked forward eagerly to the relative relaxation of peace. Reluctantly we have now come to understand that victory and peace are not synonymous. Over large areas of the world we have nothing better than armed truce; in some places there is open fighting; everywhere men know that there is yet no stable settlement. Close on the heels of victory has loomed a new world crisis.

Particularly to Americans the appearance of disquieting facts and possibilities has been upsetting. We are having our first experience of constant, full-scale activity in world politics. Other nations have lived for years as principals in the give-and-take of diplomacy. Until now we have been, except in wartime, on the fringe. It is no wonder that, when suddenly placed in the center of the alarms and excursions of international affairs, we are abnormally sensitive. And, of course, it does not help to find ourselves selected as chief target for the abuse and opposition of a very bad-mannered group of men who take their orders from the Kremlin. It is not surprising, then, that many of us are confused and unhappy about our foreign relations, and that some are tempted to seek refuge from their confusion either in retreat to isolationism or in suggested solutions whose simplicity is only matched by their folly. In the main, our difficulties arise from unwillingness to face reality.

It must be admitted that the elements of the new unrest appear to be unusually complex and trying. The war-shattered world must be rebuilt; the problem of atomic energy insistently demands solution; the present policy of Russia must be frustrated. But it is my belief that the American people have it well within their power to meet and resolve all of these problems. The essential test is one of will and understanding. We require a skillful foreign policy, of course, but we may have confidence that the

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farsighted and experienced men now in charge of our State Department know how to frame a policy. In outline the President and the Secretary of State have already set their course. They can develop their policy with success, however, only if they have the understanding support, on basic principles, of the American people.

II

First, and most important, Americans must now understand that the United States has become, for better or worse, a wholly committed member of the world community. This has not happened by conscious choice; but it is a plain fact, and our only choice is whether or not to face it. For more than a generation the increasing interrelation of American life with the life of the world has out-paced our thinking and our policy; our refusal to catch up with reality during these years was the major source of our considerable share of the responsibility for the catastrophe of World War II.

It is the first condition of effective foreign policy that this nation put away forever any thought that America can again be an island to herself. No private program and no public policy, in any sector of our national life, can now escape from the compelling fact that if it is not framed with reference to the world, it is framed with perfect futility. This would be true if there were no such thing as nuclear fission, and if all the land eastward from Poland to the Pacific were under water. Atomic energy and Soviet Russia are merely the two most conspicuous present demonstrations of what we have at stake in world affairs. The attitude of isolationism—political or economic—must die; in all its many forms the vain hope that we can live alone must be abandoned.

As a corollary to this first great principle, it follows that we shall be wholly wrong if we attempt to set a maximum or margin to our activity as members of the world. The only question we can safely ask today is whether in any of our actions on the world stage we are doing enough. In American policy toward the world there is no place for grudging or limited participation, and any attempt to cut our losses by setting bounds to our policy can only turn us backward onto the deadly road toward self-defeating isolation.

Our stake in the peace and freedom of the world is not a lim-

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ited liability. Time after time in other years we have tried to solve our foreign problems with halfway measures, acting under the illusion that we could be partly in the world and partly irresponsible. Time after time our Presidents and Secretaries of State have been restrained, by their own fears or by public opinion, from effective action. It should by now be wholly clear that only failure, and its follower, war, can result from such efforts at a cheap solution.

We have fresh before us the contrary example of our magnificent success in wartime, when we have not stopped to count the cost. I have served as Secretary of State in a time of frightened isolationism, and as Secretary of War in a time of brave and generous action. I know the withering effect of limited commitments, and I know the regenerative power of full action. I know, too, that America can afford it — as who does not know it, in the face of our record in the last seven years?

It is altogether fitting and proper, of course, that we should not waste our substance in activity without result. It is also evident that we cannot do everything we would like to do. But it would be shriveling timidity for America to refuse to play to the full her present necessary part in the world. And the certain penalty for such timidity would be failure.

The troubles of Europe and Asia are not "other people's troubles;" they are ours. The world is full of friends and enemies; it is full of warring ideas; but there are no mere "foreigners," no merely "foreign" ideologies, no merely "foreign" dangers, any more. Foreign affairs are now our most intimate domestic concern. All men, good or bad, are now our neighbors. All ideas dwell among us.

III

A second principle, and one which requires emphasis as a necessary complement to any policy of full participation, is that we are forced to act in the world as it is, and not in the world as we wish it were, or as we would like it to become. It is a world in which we are only one of many peoples and in which our basic principles of life are not shared by all our neighbors. It has been one of the more dangerous aspects of our internationalism in past years that too often it was accompanied by the curious assumption that the world would overnight become good and clean and peaceful everywhere if only America would lead the way.

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The most elementary experience of human affairs should show us all how naïve and dangerous a view that is.

The most conspicuous present examples of this sort of thinking are to be found among those who refuse to recognize the strong probability that one of our great and powerful neighbor nations is at present controlled by men who are convinced that the very course of history is set against democracy and freedom, as we understand those words. A very large part of what I believe to be the mistaken thinking done by my friend Henry Wallace about Soviet Russia results simply from a goodhearted insistence that nobody can dislike us if we try to like them.

We have been very patient with the Soviet Government, and very hopeful of its good intentions. I have been among those who shared in these hopes and counseled this patience. The magnificent and loyal war effort of the Russian people, and the great successful efforts at friendliness made during the war by President Roosevelt, gave us good reason for hope. I have believed — and I still believe — that we must show good faith in all our dealings with the Russians, and that only by so doing can we leave the door open for Russian good faith toward us. I cannot too strongly express my regret that since the early spring of 1945 — even before the death of Mr. Roosevelt — the Soviet Government has steadily pursued an obstructive and unfriendly course. It has been our hope that the Russians would choose to be our friends; it was and is our conviction that such a choice would be to their advantage. But, for the time being, at least, those who determine Russian policy have chosen otherwise, and their choice has been slavishly followed by Communists everywhere.

No sensible American can now ignore this fact, and those who now choose to travel in company with American Communists are very clearly either knaves or fools. This is a judgment which I make reluctantly, but there is no help for it. I have often said that the surest way to make a man trustworthy is to trust him. But I must add that this does not always apply to a man who is determined to make you his dupe. Before we can make friends with the Russians, their leaders will have to be convinced that they have nothing to gain, and everything to lose, by acting on the assumption that our society is dying and that our principles are outworn. Americans who think they can make common cause with present-day Communism are living in a world that does not exist.

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They are not alone. An equal and opposite error is made by those who argue that Americans by strong-arm methods, perhaps even by a "preventive war," can and should rid the world of the Communist menace. I cannot believe that this view is widely held. For it is worse than nonsense; it results from a hopeless misunderstanding of the geographical and military situation, and a cynical incomprehension of what the people of the world will tolerate from *any* nation. Worst of all, this theory indicates a totally wrong assessment of the basic attitudes and motives of the American people. Even if it were true that the United States now had the opportunity to establish forceful hegemony throughout the world, we could not possibly take that opportunity without deserting our true inheritance. Americans as conquerors would be tragically miscast.

The world's affairs cannot be simplified by eager words. We cannot take refuge from reality in the folly of black-and-white solutions.

IV

In dealing with the Russians, both uncritical trust and unmitigated belligerence are impossible. There is a middle course. We do not yet know surely in what proportion unreasonable fears and twisted hopes are at the root of the perverted policy now followed by the Kremlin. Assuming both to be involved, we must disarm the fears and disappoint the hopes. We must no longer let the tide of Soviet expansion cheaply roll into the empty places left by war, and yet we must make it perfectly clear that we are not ourselves expansionist. Our task is to help threatened peoples to help themselves.

This is not easy. It is quite possible, indeed, that the blind reaction of some anti-Communist governments may succeed to some extent in nullifying our labors. We must make every effort to prevent such a result. Success in this task depends so much on men and circumstances that I do not venture to prescribe a theoretical solution. It is an undertaking that demands a bold and active policy, combined with skilful and understanding execution. In such an undertaking, it is only the exceptionally well-informed who may properly give advice from the sidelines.

But our main answer to the Russians is not negative, nor is it in any sense anti-Russian. Our central task in dealing with the Kremlin is to demonstrate beyond the possibility of misunder-

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standing that freedom and prosperity, hand in hand, can be stably sustained in the western democratic world. This would be our greatest task even if no Soviet problem existed, and to the Soviet threat it is our best response.

Soviet intransigence is based in very large part on the hope and belief that all non-Communist systems are doomed. Soviet policy aims to help them die. We must hope that time and the success of freedom and democracy in the western world will convince both the Soviet leaders and the Russian people now behind them that our system is here to stay. This may not be possible; dictators do not easily change their hearts, and the modern armaments they possess may make it hard for their people to force such a change. Rather than be persuaded of their error, the Soviet leaders might in desperation resort to war, and against that possibility we have to guard by maintaining our present military advantages. We must never forget that while peace is a joint responsibility, the decision for war can be made by a single Power; our military strength must be maintained as a standing discouragement to aggression.

I do not, however, expect the Russians to make war. I do not share the gloomy fear of some that we are now engaged in the preliminaries of an inevitable conflict. Even the most repressive dictatorship is not perfectly unassailable from within, and the most frenzied fanaticism is never unopposed. Whatever the ideological bases of Soviet policy, it seems clear that some at least of the leaders of Russia are men who have a marked respect for facts. We must make it wholly evident that a nonaggressive Russia will have nothing to fear from us. We must make it clear, too, that the western non-Communist world is going to survive in growing economic and political stability. If we can do this, then slowly — but perhaps less slowly than we now believe — the Russian leaders may either change their minds or lose their jobs.

V

The problem of Russia is thus reduced to a question of our own fitness to survive. I do not mean to belittle the Communist challenge. I only mean that the essential question is one which we should have to answer if there were not a Communist alive. Can we make freedom and prosperity real in the present world? If we can, Communism is no threat. If not, with or without Communism, our own civilization would ultimately fail.

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The immediate and pressing challenge to our belief in freedom and prosperity is in western Europe. Here are people who have traditionally shared our faith in human dignity. These are the nations by whose citizens our land was settled and in whose tradition our civilization is rooted. They are threatened by Communism — but only because of the dark shadows cast by the hopelessness, hunger and fear that have been the aftermath of the Nazi war. Communism or no Communism, menace or no menace, it is our simple duty as neighbors to take a generous part in helping these great peoples to help themselves.

The reconstruction of western Europe is a task from which Americans can decide to stand apart only if they wish to desert every principle by which they claim to live. And, as a decision of policy, it would be the most tragic mistake in our history. We must take part in this work; we must take our full part; we must be sure that we do enough.

I must add that I believe we should act quickly. The penalty of delay in reconstruction is to increase the size of the job and to multiply difficulties. We require a prompt and large-scale program. The government must lead the way, but we who are private citizens must support that leadership as men in all parties supported help to our Allies in 1941. The sooner we act, the surer our success — and the less it will cost us.

The need of Europe is a challenge partly to our generosity and partly to our good sense. We have ample justification for action on either ground. It is an opportunity for the best that is in America, a chance for us to show the practical idealism on which we have with reason learned to pride ourselves.

This is the way to disappoint the Russians. But it is not anti-Russian. This is a course which must be followed not because we fear the Russians, but simply because we have confidence in ourselves.

As we take part in the rebuilding of Europe, we must remember that we are building world peace, not an American peace. Freedom demands tolerance, and many Americans have much to learn about the variety of forms which free societies may take. There are Europeans, just as there are Americans, who do not believe in freedom, but they are in a minority, and — as the Editor of this review so clearly explained in its last issue — we shall not be able to separate the sheep from the goats merely by asking whether they believe in our particular economic and political

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system. Our coöperation with the free men of Europe must be founded on the basic principles of human dignity, and not on any theory that their way to freedom must be exactly the same as ours. We cannot ask that Europe be rebuilt in the American image. If we join in the task of reconstruction with courage, confidence and goodwill, we shall learn — and teach — a lot. But we must start with a willingness to understand.

The reconstruction of western Europe is the immediate task. With it we have, of course, a job at home. We must maintain freedom and prosperity here. This is a demanding task in itself, and its success or failure will largely determine all our other efforts. If it is true that our prosperity depends on that of the world, it is true also that the whole world's economic future hangs on our success at home. We must go forward to new levels of peacetime production, and to do this we must all of us avoid the pitfalls of laziness, fear and irresponsibility. Neither real profits nor real wages can be permanently sustained — and still less increased — by anything but rising production.

But I see no reason for any man to face the American future with any other feeling than one of confident hope. However grave our problems, and however difficult their solution, I do not believe that this country is ready to acknowledge that failure is foreordained. It is our task to disprove and render laughable that utterly insulting theory. Our future does not depend on the tattered forecasts of Karl Marx. It depends on us.

VI

In counseling against policies which ignore the facts of the world as it is, I do not, of course, mean to argue that we can for a moment forget the nature of our final goal.

Lasting peace and freedom cannot be achieved until the world finds a way toward the necessary government of the whole. It is important that this should be widely understood, and efforts to spread such understanding are commendable. The riven atom, uncontrolled, can be only a growing menace to us all, and there can be no final safety short of full control throughout the world. Nor can we hope to realize the vast potential wealth of atomic energy until it is disarmed and rendered harmless. Upon us, as the people who first harnessed and made use of this force, there rests a grave and continuing responsibility for leadership in turning it toward life, not death.

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But we cannot have world government or atomic control by wishing for them, and we cannot have them, in any meaningful sense, without Russia. If in response to our best effort there comes no answer but an everlasting "NO," then we must go to work in other fields to change the frame of mind that caused that answer. We cannot ignore it.

It is a part of any practical policy that it must keep our principles out in the open. In the imperfect, veto-ridden United Nations there is now incarnate the hope of people everywhere that this world may become one in spirit as it is in fact. No misconceived idea of "realism" should induce us to ignore this living hope or abate in its pursuit. We should be foremost among those who seek to make the United Nations stronger; if the Russians will not help us, let them be forced to make their opposition clear. As a starting-point, we might simply ask for a clear ruling that there shall be no veto on the right of investigation and report.

Because the United Nations can at present be hamstrung by the obstruction of a single major Power, we will probably find ourselves sometimes forced to act outside its system. So far as possible, we should avoid this course, and we should so conduct our operations as to make it wholly clear to all the world that it is not we who choose to make the United Nations weak, and that when we act outside it we are still acting in harmony with its declared objectives. It must be our constant endeavor to conduct our policy with full and deep respect for our signed and ratified adherence to this new league which we have done so much to build. Our insistence upon world coöperation must be unremitting; only so can we deserve and win the confidence of those who, caring nothing for the politics of power, now see only the overriding need for peace. Both policy and principle bind us to the support of the United Nations.

VII

It is clear, then, that in this country we are still free to maintain our freedom. We are called to an unprecedented effort of cooperation with our friends in every country. Immediately, we are called to act in the rebuilding of civilization in that part of the world which is closest to us in history, politics and economics. We are required to think of our prosperity, our policy and our first principles as indivisibly connected with the facts of life every-

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where. We must put away forever the childishness of parochial hopes and un-American fears.

We need not suppose that the task we face is easy, or that all our undertakings will be quickly successful. The construction of a stable peace is a longer, more complex and greater task than the relatively simple work of war-making. But the nature of the challenge is the same. The issue before us today is at least as significant as the one which we finally faced in 1941. By a long series of mistakes and failures, dating back over a span of more than 20 years, we had in 1941 let it become too late to save ourselves by peaceful methods; in the end we had to fight. This is not true today. If we act now, with vigor and understanding, with steadiness and without fear, we can peacefully safeguard our freedom. It is only if we turn our backs, in mistaken complacence or mistrusting timidity, that war may again become inevitable.

How soon this nation will fully understand the size and nature of its present mission, I do not dare to say. But I venture to assert that in very large degree the future of mankind depends on the answer to this question. And I am confident that if the issues are clearly presented, the American people will give the right answer. Surely there is here a fair and tempting challenge to all Americans, and especially to the nation's leaders, in and out of office.

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BRITAIN AND THE MODERN WORLD

By Anthony Eden

THESE are days in which we occasionally read, either in friendly or in critical language, of a concern whether the British people can continue to play their part in the development of the modern world. Grave as any thoughtful person must admit the situation to be, we in Britain, to whatever political faith we may subscribe, do not share these doubts. We feel that we have heard them before. We heard them when Philip of Spain's Armada was threatening our southern coast, when Napoleon was massing his forces across the Channel at Boulogne, and when Hitler carried almost all before him in 1940. We are therefore by nature and training skeptical of these forebodings. This, however, does not mean that we are complacent, or that we ignore the dangerous instability of present international relations and the stern reality of our domestic problems.

If we are to understand the contribution that the British Isles can make to contemporary political thought, we must first analyze the sources of its authority. Britain is at one and the same time a part of the European Continent and severed from it. The Channel may be little more than 20 miles wide, but its existence has in the past saved Britain physically and detached her emotionally from the Continent. There is here a certain parallel with Russia which should not be overlooked. The Soviet Union is at once an Asiatic and a European Power. Although a great land mass, her home country lies on the flank of Europe, as Britain does, and so through the centuries it has hitherto been to the interest of both of us to see that no one Power should dominate Europe. This motive has brought us together in three major conflicts, in the Napoleonic struggle, in the First World War against Germany, and in the Second World War also. If both countries were still actuated by that motive, surely a wise one, to ensure that no one Power dominates Europe, then our policies could continue to have a common thread. Today, however, conflicting ideologies, and more especially the ruthless menace of international Communism, perplex and poison even the most sincere purposes. The Soviet Government seems determined to withhold coöperation on any terms or in any spirit that could contribute to international confidence and goodwill.

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But it is of the British position in the world rather than of the general international scene that I now intend to write. The average Britisher is probably more conscious today that London is the heart and center of the British Commonwealth and Empire than he is even of his European neighbors. There is surely no fault to find with this, for it is as part of the British Commonwealth and Empire that our greatest contribution can be made. When Mr. John D. Kearny, the first Canadian High Commissioner to India, arrived at Delhi last month, he said that Canada had found the Commonwealth "a good club to belong to. It has stood more than one global emergency, it has been of benefit to those who are members of it, and I think it will again contribute in no small measure to world stabilization." We in Britain agree with Mr. Kearny, and in a world which finds such difficulty in taking political account of the contraction of space which science enforces upon us, this contribution may well be decisive. But the story does not end there. We have a unique opportunity in that we are a member of a family spread across the world, and a part of the world's most restless continent — Europe. All now understand, quite clearly, that we cannot pursue a policy that takes account of either of these factors but ignores the other; both must be accepted. These are the truths which, together, are the foundations of our special contribution. If their significance is to be understood, it is necessary to make clear the motives for our adherence to them. Our concern is for the freedom and tranquillity of Europe, for its unity and harmony. There should therefore be no misinterpretation of our vigilance to ensure so far as we can that dictatorship, in whatever form, shall not again make a mockery of the world's desire for freedom from fear.

II

There has probably been wider misconception and therefore deeper distrust over the connection between Great Britain and the British Commonwealth and Empire than over any other aspect of Anglo-American relations. This is in part due to our omission adequately to explain the facts, and has been aggravated by our traditional tendency to understate our case. Let us seek to remedy these shortcomings. There is first of all the position of the great self-governing Dominions, which is now almost universally understood. Canada, Australia, New Zealand and South Africa are equal partners with us in one family. One or other may be

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senior in age, but all are completely free and equal in their mutual relationship. There has never been any comparable association of free nations in the world's history before. Other territories, like Southern Rhodesia, are nearing Dominion status, while in India and Burma changes are taking place as I write, the final shape and consequences of which it is too soon to determine.

There remain to be examined the various forms of colonial government. They are in different stages of development, and there can therefore be no hard-and-fast rule for their rate of progress towards the objective of self-government. Some, like Barbados and Bermuda, have had their own Parliaments for centuries. Others, like Ceylon and Jamaica, have a wide measure of self-government. Yet others, like some of the African colonies, have much further to travel towards political responsibility. We are often told that Great Britain is too slow in giving the colonial peoples their autonomy. In some colonies the majority of the people is inarticulate and education is only in its early stages. Life is still subject to primitive customs and economy. If autonomy were granted to such colonies now, power would devolve upon the small minority which is educated. This is not true democracy. Our policy has been to prepare the whole of the colonial peoples for self-government by education, social progress, and training in local administration, until autonomy can mean government of the people by the people, for whose welfare we, meanwhile, are trustees. No record of administration is wholly blameless, but it cannot be denied that in her colonies Britain has established law and order, security of life and property, and that she has helped their peoples towards political, social and economic progress.

In recent years the development of colonies on a regional basis has been remarkable. The Caribbean Commission is an important example of the value of Anglo-American coöperation in colonial administration, now to be repeated in the southern Pacific. I believe that mutual discussion and assistance on common problems of this character can bring advantage not only to the colonies themselves but also to the Powers who have a special responsibility for their welfare.

Another charge that has been made against us is that Britain exploits her colonies and drains them of their wealth. If by this it is meant that the colonies make regular contributions to the British exchequer, it is not true. On the contrary, the poorer

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colonies rely on the financial help of Great Britain to maintain and improve the standard of living of their peoples. If, on the other hand, this charge is intended to imply that British commercial enterprise has won great advantage to itself without giving comparable benefit to the territory concerned, this also is untrue. British enterprise in the colonies has had its good years and has paid high dividends, but it has also had bad years when the losses were heavy. All these enterprises carried hazards, and the fact that the risks were run in lands far afield from Britain herself does not weaken the common business principle involved. Colonial governments receive shares of all profit made by local industry, and the products and raw materials of their territories are available to all countries. In the past, our colonies have been handicapped by an insufficiency of capital to develop their resources and their social services, but under the Colonial Development and Welfare Acts, first brought into law by the British Parliament in our darkest hour of 1940, we are providing £120,000,000 for economic and social development. We in Britain are first to admit that much remains to be done.

III

If there is much to be done abroad, this is also true of our domestic affairs. Here, of course, there are political differences, and I make no strictures upon our own Government in a review published in another land. I can, however, write of the purpose and policies of the Party to which I belong, the Conservative and Unionist Party.

We are endeavoring to establish a just balance between freedom of the individual and the ordered society which alone permits him to enjoy freedom. Our view has always been that these two fundamental truths must march together, and it is apparent from our history that Britishers do not long accept to live under an order which diminishes their freedom. But they cannot preserve that freedom without the rule of law. During the seventeenth century the principle gradually emerged in this country that the law is above the executive, and never has this conception been more important in all lands than it is today.

Recently, the almost universal tendency has been to try to take account of our smaller world by centralizing power in the hands of the state itself. To some extent, the absorption of the small unit by the large is a natural economic process, but the use-

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fulness of this merging is limited. Complete concentration of control, by whatever agency, involves a restriction upon the freedom of the individual, and a consequent obstruction to the full growth of personality. But it is surely indisputable that human progress is only made possible by such individual development and the heights of achievement to which men and women, by their own talents, attain. No nation's history is long enough, nor its record proud enough, to allow it to dispense with the breeding of greatness.

The function of government is to maintain the conditions in which individual enterprise can supply the initiative and the action. If, by constant intervention in every aspect of a nation's life, a government uses too high a proportion of the nation's manpower to enforce control and to restrict, the system becomes unproductive. An unproductive system is an abuse of power, and an abuse of power ultimately destroys the system. A proper understanding of this principle of the abuse of power is at once a restraint and an incentive; a restraint from excess and tyranny, and an incentive to find the mean between anarchy and regimentation, which is the true civilization. Therefore we in Britain are striving to find a way to reconcile the modern state's requirement for central planning with the urgent necessity to raise our standard of living through free and energetic enterprise. We who are members of the Conservative Party believe in planning, but in planning for freedom. If the planning involves the detailed control of our economic life, and the imposition of a central bureaucratic machine upon all our trade and industry, then that planning can lead only to disaster. We believe that planning should mean wise national housekeeping, the balancing of resources and requirements, and the settling of the broad strategy of our economic effort by consultation at all levels. There should be coöperation in making the plans, and competitive enterprise in carrying them out. This is the true need of Britain today.

The problem cannot be reduced entirely to a question of logistics, nor would I insist that there is but one solution, but I think there are certain major issues that require to be defined. The relationships between government and industry, and between employer and employed, must be adapted to suit modern conditions. The functions, rights and duties of each must be clearly understood. It is the duty of government to plan and to seek to maintain a high and stable level of employment, which is neces-

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sary to the economic welfare of the country. While scarcity exists, a government may be compelled to control those materials and services which are in short supply, and to formulate a broad system of priorities, the detailed allocation of which can best be arranged by industry itself. It would, however, be calamitous for a government in a free community to take upon itself the day-to-day administration of all the ramifications of its policy. A function of government is to promote confidence. Industry must take risks in order to prosper, and there must therefore be a clear definition of the respective fields of action of government and of itself. Commercial hazards are increased beyond reasonable bounds if progress is liable to be impeded by a multitude of minor controls and the necessity for licenses, permits and the like. Events move too fast for wholly centralized direction to be practical, and the specialized technical knowledge which the modern world demands is not synonymous with even the most well-meaning or well-staffed of bureaucracies.

It is important that undesirable restrictive practices, whether on the part of employer or employed, should cease. We believe that if the worker were free from fear of unemployment, he would have no reason to try to "spin out" his job or deliberately to restrict his output. It is therefore of immediate importance that he should feel sure that the government intends to carry out its full employment policy, and that it will be successful. Such a policy must involve continual government concert with industry to achieve an even flow of investment and wise spending in order to counteract fluctuations and mitigate the effect of trade depressions, especially in those industries producing for capital investment or export. It is also the government's duty to prevent any squandering of national resources or prejudice to national needs for the sake of maintaining high prices or short supplies. Research to eliminate wasteful methods of production and distribution is constantly going forward. Dissemination of its results, and of information on the economic situation of the country and special industries, is not only a legitimate but also an essential function of government in the modern world.

In all these plans, we believe that workers can and should play an important part in guiding the national economy. Many trade union officials have obtained high status in the advisory committees attached to some of our government departments. The degree to which their contribution can be effective, whether in this

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sphere or in the more usual one of collective bargaining, is conditioned by the extent to which they are in fact in touch with and representative of the opinions of their men. The frequency of unofficial strikes in many countries has underlined the need for trade union leaders and members to work more closely together. No one doubts that their aims are the same, but consultations are valueless and negotiations abortive unless there is reasonable hope of their conclusions being carried out. It is perhaps relevant to say here that we consider that the "closed shop" principle is incompatible with the freedom and rights of the individual worker, which trade unions were first formed to defend. Each worker should be free to belong to whichever union he thinks will best serve his interests, and equally free not to belong to any union at all if he so chooses. We believe that monopolies, whether in the hands of the state, capital or the industrial unions, are generally undesirable.

In all countries, these problems must at some time or another be solved, but here in Britain time is not on our side. It is necessary for us to make a fourfold increase in the value of our exports, and this dictates austerity at home. We have an adverse visible balance in our overseas trade figures, and there is a limit to the extent to which this can be rectified by reducing our imports. If we cut our imports in proportion to the deficit, this would involve either starving or ceasing to manufacture; in other words, this would mean both. It is obvious that we can surmount our immediate difficulties only by greatly increased production at home, and we believe that the Conservative industrial program offers the best means of achieving this.

It is our aim to provide as varied opportunities to get on in the world as there are various ambitions and talents among our people. The individual trader is a valuable asset to society, and owes his continuing existence to the fact that he not only serves but also satisfies his customers. His position should be strengthened and protected from the unfair competition of subsidized or state trading.

Industry in general should provide for those engaged in it security of employment, incentive to do the job well and to get a better one, and status for the individual, however big the firm or mechanized the work. In our view, a worker is entitled to a statement setting out the terms and conditions of the job, and the grounds upon which and the way in which he may be dismissed.

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A man who has been with a firm for many years should not be dismissed on the same length of notice as one who has only just joined it. This arrangement, by giving the employed a measure of industrial security, would tend also to encourage endeavor, and this is important to the nation as well as to the individual worker.

Extra reward should always be linked with extra effort and initiative. Circumstances in different industries vary greatly, and there are many ways of giving piece rates and bonuses, but whatever the methods, the adoption of the principle is essential. The greatest monetary incentive at present would be to reduce the burden of income tax, and especially to raise the level of earned income relief.

A different aspect of incentive is that of promotion. The supreme test should be that of ability. Those who show the ability to pass from the floor of the shop to the office, including the chairman's office, should have every chance to do so. This system requires a scheme to discover ability and then to educate and train it. Here, the large firm has some advantage over the small one, but by arrangements made to cover a whole industry, or through the help of local education authorities, this handicap can be overcome. Industrial training should continue without interruption from vocational guidance in the schools to the professional and technical organizations. There should be wider schemes of apprenticeship for new entrants, and more specialized training for management. The educational process within industry can also play a valuable part by keeping workers informed of the progress of the undertaking, the volume of its orders, the rate of production, and the effects of taxes and the many other influences which affect their work. One result of such a system is that it enhances the personal contact between employer and employed, which otherwise tends to become submerged in large firms, and encourages the relation of each job to the national economy and need.

All our efforts should be directed towards the freeing of enterprise so that by the collective effort of all concerned our prosperity may be regained. Our policy takes account of modern industrial trends, for it is better that new conceptions of thought should evolve constitutionally within the law than to inspire their revolutionary development by refusal to adapt our political thought to include them. This was certainly the national experience when trade unions were forming a hundred years ago.

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It was the Conservative Party which, in 1876, gave trade unions the right to strike and thus made collective bargaining a reality.

IV

Professor Trevelyan writes in his "Social History of England" that "politics are the outcome rather than the cause of social change." Our political thought must therefore be constantly re-examined and its authority analyzed. It is necessary to recognize that in every phase the old overlaps the new, and that there is never any single moment when it can truly be said that all Englishmen adopt new ways of life or thought. The steady growth of our national conscience through the centuries has kept pace with the differing spirit of the ages and their just demands for social security. The responsibility for administering to this need has at times been that of the feudal barons, the Church, the Privy Council and the local authorities, until finally it is vested in the State itself. The complex arrangements now operated are indeed abreast of contemporary thought, and far wider in scope than anything we have previously attempted. Britain is not slow to recognize that in the field of human progress there is yet vast territory to be covered, and in the education of her people she tries to fit them to take an honorable place as citizens of the world. The influence of our long history of liberty, of justice and equality before the law is not lost upon our younger generation. Their responsibility is heavy, and it is to them that we must look for the fulfillment of our destiny. The consciousness of our tradition is strong. As long ago as the sixteenth century, Francis Bacon wrote that "Men's thoughts are much according to their inclination; their discourse and speeches according to their learning and infused opinions; but their deeds are after as they have been accustomed." In this knowledge, I am confident that Britain will continue to play her full and effective part in the development of the modern world.

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CAN FRANCE AGAIN BE A GREAT POWER?

By André Géraud
("*Pertinax*")

FRANCE ceased to be a free agent in international affairs on May 10, 1940. On that fateful day, her armies under Gamelin crossed the Belgian frontier and rushed northeast to meet the Nazi attack. Since then France has not regained a position of even relative steadiness and power. Today her national production has probably regained more than 80 percent of the 1938 level, but this result has been mainly achieved by the scattered efforts of individuals. Solid monetary and financial foundations have not yet been laid and organic reconstruction is still to come. The moral scars left by the invasion are perhaps even more terrible than the physical wounds. The élites which guided the French nation ten years ago are gone, discredited beyond hope of rehabilitation. One result is that too often mere amateurs are trying their hands at the helm.

The French Navy now consists of 300,000 tons, about half the total before her best warships were sunk in the port of Toulon or lost in the criminal defense of North Africa against the American forces. The bulk of the French Army is formed by the divisions equipped on Lend-Lease which are keeping watch over the Empire overseas or garrisoning the French zones in Germany and Austria. Whether in an emergency the 70 or 80 divisions that France is supposed to be able to assemble could be provided with enough weapons to make them effective is problematical. French factories will start producing material for an air force in 1950 or 1951, not before.

As a factor in power politics, then, France counts for very little; and power is the determining factor in international relations. League of Nations or United Nations notwithstanding, the influence which any nation commands is in relation to the amount of physical force it can gather. France's weakness offers a danger not only to the French people but to the world at large. Perhaps I might even say that when France is prostrate the spiritual patrimony of many men beyond the French borders is impaired accordingly.

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But I had better keep to urgent practical matters. French power has been useful. The history of the 40 very full years prior to the French disaster can be cited to prove that French diplomacy, despite some glaring defects, has on the whole been more farseeing and better able to perceive the trend of European events than the British and the American. Today, most French diplomats and politicians openly disagree with the conclusions reached by their British and American colleagues on the subject of Germany and Russia. To cite a concrete instance, they are very critical of the American-British leadership to which Foreign Minister Georges Bidault had to submit all through the conference at Moscow last March and April. I do not mean to suggest that French diplomats were then always in the right and their British and American friends invariably in the wrong. But I feel strongly that, on one or two fundamental points which will be discussed later, they had a better understanding of what could be achieved in the Russian capital. The writer hopes that the Russian proverb, "Every devil praises the marshes where he was born," will never apply to him. He is quite willing to recognize the shortsightedness of his countrymen in the past in some fields — the economic one, for example. But it is permissible, and I think necessary, to note that in our time the mechanism of European politics has been better understood in France than in England or America. And to the writer it is a matter of growing concern that in Continental affairs, French realism is not even as much of a counterpoise to Anglo-Saxon ideology as it was in the decades before the second German war.

II

The impotence of French diplomacy was strikingly shown shortly after Liberation. Hardly had General de Gaulle set up his régime on metropolitan territory than he decided to sign a treaty of alliance with Russia. Today we know more about General de Gaulle then we did in 1944. His personal hostility to Communism in all its aspects has become patent. The fact that the treaty of alliance with Soviet Russia took precedence in his mind over the treaty of alliance with England (which, in practice, would have involved a bond of alliance with the United States) can be accounted for only by the very vivid memory he kept of the high-handed treatment which both President Roosevelt and Prime Minister Churchill meted out to him time after time.

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General de Gaulle went to Moscow in December 1944, and there put his signature to the Franco-Soviet pact in the belief that through Russian support France would quickly get a position of something like equality in the councils of the great coalition. His expectations might have been fulfilled and diplomatic solidarity between the two allies, Russia and France, might have come to be practised had the head of the French Government showed greater pliancy in his dealings with Marshal Stalin and Mr. Molotov. It is well known that the French guest and his Russian hosts disagreed on the merits of the Polish Lublin Committee, that de Gaulle refused to extend provisional recognition to it and thus marred Russian calculations. The Russian rulers wanted their Polish friends installed, on very short probation, as the *de jure* Government of Poland. They had carefully planned a diplomatic action to that end to which de Gaulle was expected to give momentum. Polish affairs much more than the contemplated treaty of alliance kept the French and Russians busy in Moscow during the five or six days the visit lasted.

The General stood by his refusal. But within a few weeks he paid a heavy penalty. In February, on his Soviet ally's pressing demand, he was left outside the Yalta Conference. This was a precedent: France also did not enter the Potsdam Conference which met five months later. With a single stone the Russians thus killed two birds. They not only taught de Gaulle a lesson on the necessity of displaying flexibility; by keeping him away they also made it much easier to achieve their own and Poland's desires in the location of Germany's eastern frontier.

If General de Gaulle or a representative of French interests had shared in the territorial discussions at Yalta and at Potsdam, the problem of the Ruhr would not have been deliberately ignored for so long. And pointed objections would certainly have been raised against the inordinate transfer of territories and populations in the east, which have the effect of shifting westward towards France the center of gravity of German power, German nationalism and German plans for revenge — wherever they happen to take shape. Of course it would be foolish to imagine that France could have made an impression at Yalta or Potsdam on British and American statesmen comparable to that which Russia's material power enabled Stalin to make. Indeed, when French diplomats first attempted, two years ago, to present to the United States and British Governments a documented argument on Ger-

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man matters most likely to persuade Americans, they did not meet with success. Nonetheless, the ideas entertained in Washington as to Germany in 1945 were far more plastic than they are today, and the British monopoly in the Ruhr had not yet been consolidated. Furthermore, it would at the least have been impossible for the State Department and the Foreign Office then to throw out the French scheme of international control and Allied management of the Ruhr industries on the pretext later offered, *i.e.* that the amputations suffered by Germany in the east were so drastic as to forbid the Allies from introducing far-reaching changes in the configuration of her western frontier. (The pretext seems the ultimate in inverted logic, for once the Allied Powers allowed Russians and Poles to push back Germany's frontiers to the very door of Berlin and Dresden, German irredentism was sure to rage in German hearts and the single question to be faced was how to dominate that potentially furious movement.) At any rate, Frenchmen would have been spared the sight of their diplomats knocking at doors in London, Washington and Moscow, and unable to get any real hearing. How many times did French diplomacy endeavor to have the whole question of the Ruhr put on the agenda of a four-Power meeting! How many times was it rebuked or cajoled into accepting postponement!

Some 18 months ago, Mr. Ernest Bevin seemed within an ace of endorsing the French thesis, judging from the public speeches he delivered between February and May 1946. Then, all of a sudden, he turned to the view of the Treasury. We have still to learn that the memoranda drafted in the Quai d'Orsay on German affairs and duly handed over in Washington, London and Moscow, at the beginning of this year, have elicited from any quarter as much as a written refutation. The position taken by France was simply by-passed, in the expectation that France would have to bow more or less gracefully before the accomplished fact and that the best course was to refrain from formally rejecting her demand. Revelatory of that unuttered negative was the visit paid to General Lucius D. Clay by Hervé Alphand, Director of the Economic Department at the French Ministry of Foreign Affairs, in December 1945. M. Alphand, who was on his way to Moscow, was hardly allowed to speak; instead his interlocutor treated him to an exposition of his own ideas on German democracy and similar subjects.

German coal is the mainspring of French reconstruction, but

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all redress of our grievances in this respect was denied us until the British failure to increase the productivity of German coal fields to anything like a decent percentage of the prewar figures aroused American attention. Such technical conferences as the one which took place at Essen in April 1946 between British and French experts bristled with heated words. All through 1945 and 1946, and so far in 1947, it seems true that not a single international discussion on German affairs has led to the adoption of a French proposal of importance. M. Bidault has kept on enunciating French policy in a somewhat professorial tone, above the din of controversies. Seldom has anyone found it worth while to return a full answer.

This painful state of affairs is resented by any French minister awake to the contrast with a past not so remote. But it is when the ominous signs of an eventual conflict between the United States and Britain on one side, and Russia on the other, become unmistakable that France's inability to assert herself becomes tragic. Every informed person is aware that there exists in Washington an Anglo-American Combined Chiefs-of-Staff Committee which, so long as the Military Committee assisting the Security Council of the United Nations remains embryonic and tentative, deserves to be considered the nucleus of whatever collective action may be available for the defense of peace. It is as clear as daylight that the actual business of the above-mentioned committee is to investigate the strategic problems which a war with Russia would bring. France is vitally concerned in those problems. If the worst came to the worst, would American and British forces find it practicable to wage a battle on the Elbe River, to erect defensive lines beyond the boundaries of French and Belgian territories? Or would the Americans and British think it safer to group their armies on a line loosely drawn along Portugal, Spain and North Africa? The French Government and the French General Staff are entirely ignorant of the decisions reached in Washington or, at best, get their clues indirectly and casually.

A feeling of uneasiness amounting sometimes to discouragement may be noticed in the men responsible for France's destiny. Russia may be a big question-mark to them, but nonetheless, they consider that all the possibilities of arriving at compromises are not being methodically exploited. They see Americans and Britons err consistently in their judgment on French and German affairs. They are afraid lest the problems of Russian affairs do not

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find the Anglo-Saxon leaders sufficiently experienced and sure-footed. It is natural that Frenchmen should have to play second fiddle to the great virtuosi of the day; the trouble is that they can hardly follow the virtuosi's reading of the score.

In Moscow, it was the considered opinion of Bidault and the men around him (and no Communist leanings were ever detected in any of them) that an agreement with Russia could be reached on reparations. The French reasoning came to this: Since German industrial production will not be left very long at the level fixed by the Berlin Control Commission on March 26, 1946, let us try to find out the higher level at which Germany would be in a position to: 1, purchase abroad all needed foodstuffs and raw materials; 2, repay the sums spent by British and Americans in occupation expenses; 3, turn part of the industrial output to reparation deliveries. Assuredly, there is a level where the fulfillment of such a program would not be called chimerical. Were German industry somehow to recover the productive capacity it had ten years ago, a plan combining those various objectives could be devised. The Russians, it is true, claimed a very big amount: $20 billion, half of it for themselves. But in the midst of the Moscow Conference, they suggested that payment should be spread over 20 years. Why not tentatively build up an equation setting a correct relationship between the goods Germany will be able to deliver, on the one hand, and Russian requests, British-American counter-demands and French security claims on the other? The French proposal was summarily set aside. Frenchmen could not help observing that, to all appearances, their great allies were not very anxious to explore the path to some practical understanding with Russia.

This was the time when Bidault tried hard to start direct negotiations with Bevin on the Ruhr and cognate problems. He failed. He invited Bevin to dinner, and, shortly afterward, had another meal with him at the British Embassy. The talk between the two men was sterile. "He might as well have sat at the table of Gaudissart," one of Bidault's friends exclaimed, referring to a Balzacian character, a commercial traveller with a ready chain of stories. Obviously, Bevin took care not to utter a single word which might make it harder for him later on to defend the British monopoly of the Ruhr. What could Bidault do to make things move on? Little, very little. French industry is threatened with a shortage of coal. He had to go to Marshall and Bevin as a sup-

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pliant and beg for more coal from the German collieries. He had to fight very hard to get the promise embodied in the Anglo-American-French agreement of April 19, 1947. For the sake of getting coal or, more accurately, some form of promissory note, the long-term interest — the supreme interest of the French nation — had to be left in the background.

III

At the time of writing, the occupying Powers are moving toward a final solution of their two-year controversy on the German problem. Whether the critical moment will come soon or be deferred until the Council of Foreign Ministers meets again late in the year is still uncertain. On July 17, Bidault raised a vehement protest against the draft Anglo-American agreement of which he had heard a few hours before, and the publication of the agreement was withheld. It was only a procedural gain, but a gain not to be despised: Bidault succeeded in keeping things fluid for a while and the statesmen of the western hemisphere benefit by a short breathing space in which to explore all the avenues toward a possible modus vivendi with the great empire to the east.

As made known to Bidault about the middle of July, the draft Anglo-American agreement consists of four main clauses: 1, steel production will be set at 10,700,000 tons, which means an over-all capacity of 14,000,000 tons or more; 2, a German manager of the mines will be appointed; 3, the question of ownership of mines and factories in the Ruhr will be shelved for five years, ownership, meanwhile, to be vested in German trustees appointed by the two Powers; 4, an Anglo-American board of control will replace the exclusively British North German Coal Control now in existence. Other articles may have been agreed to by the Washington and London Governments: if so, they have not been brought to the knowledge of the Quai d'Orsay.

The fate of France, and in the judgment of competent Frenchmen, the fate of Europe, is largely contingent on what becomes of the above set of proposals. Should they materialize, the odds are that France will be left without any serious chance to revive as a substantial Power.

The days are past when the martial valor of France depended on the strength of her peasants and the maintenance of her tradition of handicraft. In World War I (at least until armored tanks

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made their appearance) it could still be argued with some plausibility that a sturdy infantry rooted in the soil was an ingredient of military power which could counterbalance superior armament. Now such notions have vanished. France must adapt herself to the industrial age more thoroughly and resolutely than she ever dreamed of doing before. A first opportunity was wasted, a quarter of a century ago, when the Pan German adventure of the Hohenzollerns ended in abject disaster. A second opportunity is at hand today, the outcome of the Nazi failure to rule the world. Soon we shall know whether France will have to suffer the same frustration she suffered 25 years ago, whether the symbolic figure of General Lucius D. Clay will have to be given a niche by the side of Lord D'Abernon in French history.

The setting up of an international control over the Ruhr area is the chief item in the program of German reconstruction which France presses upon her great Allies. For a long time the error of French diplomacy was an attempt to cram into that program schemes which were either of secondary importance or mere shibboleths. Efforts of the Allies to exploit the so-called "German particularism," as in the building up of the Rhineland as a distinct political entity, fall into that category, as does the complicated constitutional scheme intended to starve the future central government of Germany of most functions which normally ought to be within its scope. Today, all adventitious issues have been weeded out. The plan for the international control of the Ruhr, as detailed in the memorandum forwarded to Washington, London and Moscow at the end of January, is the goal of French policy.

Frenchmen are more and more convinced that this is the only means of barring a recurrence of the German danger. The term "international control" is often loosely used by British and Americans. It is, therefore, necessary to emphasize the characteristic feature of international control as the French understand it: the direct management by the Allies of the key industries in the Ruhr. It does not mean that a huge bureaucracy would be gathered and set to the task. No. Some 200 Allied officials, backed by a small permanent occupation force, would do the job. (By the way, it is worth noticing that when our American friends undertook to outline a system of atomic control, they were impelled by the logic of experience to put forward as an uncontrovertible principle that the controlling body could be expected to perform

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its task efficiently only if invested with all rights of ownership and powers of management. Whenever Americans are seriously concerned in international control, they are apt to use the same reasoning as the French.)

To quote as an alternative to international control the four-Power treaty of guarantee offered by Mr. Byrnes last year is to shirk the real issue. The solution of the German problem as it stands before us is not to organize resistance to the aggressor. The solution of the problem is to see to it that the spirit of aggression in Germany will not have weapons at its disposal with which it might precipitate a war — even a war which, once again, it might lose! The aim is not to win our salvation in the style of 1939–45 or even of 1914–18. The aim is to spare the world a third crisis, which might bring us all very close to Judgment Day. The aim is not belated repression but early control, so that there will not even be a case for repression. The four-Power treaty does not offer such control.

But the international control of the Ruhr calls for a complementary measure: the decentralization of the pig-iron and steel industry now too exclusively localized in the Rheno-Westphalian area. Why should Lorraine iron ore continue to be brought to the Ruhr to be worked there by German coal in German plants, rather than that Ruhr coal shall be taken to Lorraine to work ore in French plants? Rheno-Westphalia, French Lorraine, Luxembourg and southeastern Belgium form one of the four world units endowed with all the components of a great iron and steel industry. (The other three are found in the United States, in England and in Russia.) The contributions of iron-producing Lorraine and of coal-producing Germany are of comparable importance to this unit. But in the past Germany had the lion's share of the product. In fact, as a result of the enterprising spirit of her industrial magnates and of their intimate connection with the German Government, she controlled the whole industry and French Lorraine became an appendage. It was the possession of this power which twice carried Germany to political and military supremacy over Europe — a supremacy which was broken only at the price of a terrible convulsion of the world. America, Britain, Russia had to be mobilized to the utmost to wrest from German heavy industry the instruments of universal domination.

To halt that sequence of events once for all, is it so extraordinary to recommend what can be described as the establishment

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of a balance of power inside the coal-iron-steel area of western Europe? The practical solution is to distribute the coal and the iron between Germany, on the one side, and France, Luxembourg and Belgium on the other, in such a way as to endow those three nations with a greater capacity of production than the former monopolist. This does not mean that German industry would be less active than it was in the years before the war. French diplomacy was wrong to leave this point obscure for so many months or even to insist on schemes amounting to a de-industrialization of Germany. Germany would, indeed, lose a number of blast furnaces and steel mills. But she would not lose the plants which put the iron into finished or semi-finished forms. And the steel she would need, in addition to the output from her own mills, would come to her from France, Belgium and Luxembourg. The tap might be loosened or tightened at will. It would be the business of the international controllers to find out to what use the steel from the Ruhr was being put and to dole out the additional supply from abroad. The innovation would not require long-extended efforts which might be antagonistic to the natural channels of trade and industry. Once it was established in a peaceful Europe, the new dispensation would become as natural as the one it replaced. And France would be immensely strengthened in the process; in an economic sense and, perhaps, in a wider sense, she would be a rejuvenated nation.

There is no need to enter into details here. However, a few figures can be quoted to show that the argument does not move in the realm of illusions. An output of 10,400,000 tons of ingot steel could be got from the French mills as they are today. (The present output is around 6,000,000 tons.) To achieve that bigger output there would be no necessity to invest fresh capital, import new tools, or enlist and train additional labor. At the present time, 70 out of 140 blast furnaces in France are idle. The essential requirement is an increase in our coal supply by 1,000,000 tons yearly, if not more.

The output of German steel mills in 1946 was 2,500,000 tons, and this year it has not risen above 3,000,000 tons, compared to the limit of 5,800,000 (with a total capacity of 7,000,000) permitted by the Allied Control Commission in March last year. The problem is to enable France, through deliveries of German coal which at the beginning would be statutory, to retain at least part of her present margin of superiority in steel production as

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the output of German steel is allowed to increase. Besides, through the modernization of the plants (which, of course, has a direct incidence on production costs) the relative capacity of French and German mills can be changed without any abrupt break. What ought never to be seen again is a Germany lifting her consumption of rolled steel from 8,000,000 tons (1930) to 14,000,000 (1937), to 16,000,000 (1939), and then to 19,000,000. The comparative (1938) figures were: 7,900,000 for France, 13,400,000 for England, 4,100,000 for Belgium and 2,700,000 for Luxembourg.

Will it be contended that this line of argument may soon become obsolete, since in the atomic age industrial power may take on new forms? The answer is that statesmen and diplomats have to plan for the visible future: ten, fifteen, twenty years at the most. The worst error of politics is to obliterate the distinctions between what is real and what is merely possible. This can only lead to political agnosticism and deadly passivity. In the atomic age, for that matter, Germany more than any other country will need to be supervised in the deepest recesses of her economy.

IV

The Ruhr policy defined above is being opposed mainly on two grounds. In the first place, so the criticism goes, the easiest line of approach to the reconstruction of Europe should be followed. It would be hazardous to build an economic structure of Europe at variance with the old pattern. Though the old pattern may have given rise to international danger, economically speaking it was very efficient. Let first things come first. The deficit in the German balance of payment is an intolerable burden on British and American shoulders. There will be ample time later to provide against all possible return of the German war spirit. Moreover, the planners and executants of the Marshall program must perform their task at the earliest date. Let us not complicate their task.

Lloyd George addressed the conference of Genoa in not dissimilar terms 25 years ago, alleging as an excuse afterward that the Lord Chancellor, Birkenhead, had remonstrated with him every morning over his excessive deference toward French policy. France was strong at that time, and ten months later, Raymond Poincaré ordered the French troops into the Ruhr. To maintain that subsequent occurrences have confirmed rather than disproved the soundness of the French policy of the period will not,

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I think, be deemed a rash assertion. Possession of military power is not likely to be separated very long from the possession of economic power. The balancing of German payments with the outside world does not necessarily imply the reëstablishment of the former economic power of Germany.

But the opposition to French policy is sometimes rooted in deeper motives which, although not openly professed, carry great weight with some in Washington and London. On the assumption that a world conflict with Russia will not be avoided, the view is held that the western Powers need the help of a fully reconstructed Germany. The people who profess such ideas are prone to explain that Germany, as a world Power, is finished, and that the German danger exists principally in the French mind.

That such naïve conceptions can find currency is bewildering. The whole trend of German-Russian relations in the past points to the probability of Germany and Russia being brought into a new association (with Russia of course playing the part of the overlord) if Germany is allowed to recruit her economic strength. The way would then be opened to Soviet Russia, powerfully installed in central Europe as she is now, quickly to seize western Germany — the very territory which some Americans and British want to build up as a weapon against her. Nor, moreover, would the realistic Soviet Government be likely to have much difficulty in coming to an understanding with German leaders. Russia is in position to give away so many prizes which German patriotism covets! If huge British-American armies were to hold Germany in their grip for one or two generations, things might follow a different course. But local military preponderance doubtless belongs to Russia. This alone ought to dissipate the dream into which Russophobes so easily fall.

In the meantime, the French Government and French opinion are deeply disturbed. They are fearful of the premiums which the exponents of the policy of strengthening Germany are only too willing to bestow on the Germans in order to curry their favor. And the French are likewise compelled to put on record their impression that, directly they take a step away from Russia and in the direction of the western Powers, the manners of the western Powers toward them become blunter. In Moscow, Bidault did not accept the offer of a separate negotiation which Generalissimo Stalin tendered to him. In subsequent negotiations with England and America this seems to have placed him at a disadvantage.

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THE CRISIS IN OUR CIVILIZATION

By Harold J. Laski

THE world has been very near to disaster, and it is far from apparent that its direction is now set to clear waters. I address myself here principally to the responsibilities for this situation which rest on the inheritors of the western capitalist tradition. We have built an interdependent world economy, but we have hardly sought in any serious way to build the institutions that are appropriate to its governance. Our science and its technology have opened to us the prospect of material well-being upon a scale no generation has previously known; but our relations of production halt us at the very entrance to the riches of Aladdin's cave. At the very center of our civilization there still lie hates and envies, ignorance and blindness, which cast a grim shadow over our future. Our world is one of contrasts that are alike fantastic and unforgivable. Here immense wealth, and there a grinding poverty. Here a culture that penetrates to the innermost secrets of nature, and there a tragic superstition that is born of an illiteracy which fetters the mind to ignorance. Here there is the dignity that is the elder child of freedom, while there whole nations toil under the curse of a slavery not less bitter because we have appeased our conscience by giving to its chains another name. In western society the use of medical science gives men and women at least the high prospect of life which may reach the allotted span; in other areas youth has hardly passed before death inexorably beckons. No doubt it is the right of all mankind to put Utopia upon its maps; but there are few organized peoples whose rulers have yet pointed to its presence save as a figure of rhetorical speech which binds most men and women afresh to the endless renewal of an exhausting round of toil.

The United Nations have won a global war waged in the name of freedom and democracy; but we are far from agreement upon what we mean by our great wars. We have founded a vast international organization that the peace may be kept and that the minds and bodies of men may be safeguarded from ignorance and credulity, from want and disease; but we have founded it upon a principle of national sovereignty that is on any rational showing wholly incompatible with the fulfilment of its purposes. Two

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years have passed since open hostilities ceased; but there is hardly an area of the world in which secret hostilities, made bitter by the darkness and conspiracies which surround them, do not continue with intensity and vigor. We tell one another that it requires only an effort of will to overcome the differences which divide the world; but we do little to organize the conditions under which that effort of will is likely to be made. There is no mask that is not used to cover the face of social injustices the remedies for which men seek to avoid. Sometimes we invoke the mythology of nationalism, as though we have not seen its problems continuously transcended in the war from which we have just emerged. Sometimes a social philosophy, already completely outmoded, is evoked to protect the habitual routine of past privilege against the innovating claims of men who deny the validity of some obsolete pattern of political and economic order. There is no injustice in our time which does not use the power of religion, the authority of custom, or the grim hand of state or mob coercion to safeguard its perpetuation. And each injustice, be it racial or national, religious or economic, rationalizes the claims it embodies by sheltering under a half-examined metaphysic of values, set, if it be possible, in a context made familiar by tradition, and so rooted in precious memories that faith may guard it from exposure by the keen sword of rational analysis. To the maintenance of that faith, techniques of propaganda are now devoted which condition the minds of millions against the right of reason to consideration before even the discussion of the validity of the faith has seriously commenced. Nearly 200 years ago Rousseau said that mankind ran to meet its chains; now it is our gravest danger that we should regard as our enemies the forces, human and impersonal alike, which strive by their interaction to liberate us from their burden.

It is, moreover, urgent for us in the west to remember that the technological conditions of our time make the power of those who control the instruments of production far greater than in any previous age. Our Alexanders and Caesars and Napoleons are no longer the great military captains who hack their way to empire; they have become half-impersonal but mighty business corporations, at whose bid a trackless desert may become the scene of battles for which the steel workers of Pittsburgh and Coventry, or the miners of the Ruhr and Silesia, may be mobilized to settle the decision, not only without knowing the end for

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which their effort is being employed, but in the passionate conviction that they labor for America or Britain, for Germany or Poland, and that their freedom from tyranny depends upon their effort. They toil in the light of a hope that is a half-promise from their masters that, if they endure till victory, tomorrow will begin the fulfilment of dreams beyond their horizon today. Security is to be theirs, a little of the ease that gives life its color and its dignity, freedom from the frustration of their trivial insignificance and from the haunting fear that their old age will be made mean and ugly by a stark poverty against which they cannot provide. But, even when victory has crowned their effort, they hear that the promise is beyond their rulers' power to fulfil since its redemption would disturb confidence or provoke disorder or transfer the power of government to men whose exercise of its authority would involve all in a common ruin because these lack the gift or the habitation which makes likely its successful operation. So the hope slowly fades, until all sense is lost of those common purposes of mind and heart which lead the citizens of some given society to believe that they can discuss how they may reach the new goal by methods which permit the accommodation where peace has freedom as its eldest child. Cannot we in the west yet see, even in the shadowed light of so profound a tragedy as we have just experienced, that a civilization built like ours upon so massive and so ruthless an exploitation of man by man must either move to the ending of that exploitation or perish in the bloody violence of fratricidal revolution?

II

Let us at least be sure that we have reached the end of that road, first fully opened by American independence and the Revolution of 1789, in which the aristocrat and the bourgeois combined to organize individual opportunity for those whose rise was not dependent merely upon the labor power they had to sell. That road had ceased to be a highway when the last American frontier had been overpassed. Thenceforward, gates were steadily closed which could have been kept open only if the men who ruled the United States had been willing to accept a vertical instead of a horizontal expansion of their well-being. Once they chose the latter, they not only chose to pattern their own society upon the model of Europe, with values which, however different the outward form in which they were clothed, had nevertheless the

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same inner essence; but they also imprisoned most of Europe within a frame of power increasingly difficult to adjust in any peaceful way because it had been driven to accept pressures beyond its capacity to contain. The multiform Europe of the twentieth century was a variegated mosaic in which the productive possibilities were always being defeated by historic and social relations which prevented their adequate use of technological possibilities. It was economically pluralistic, where its obvious need was set in monistic terms. Its cultural evils set the residuary legatees of medieval theocracy alongside the imaginative ardor of the men who thought in terms of what the outcome of tomorrow's scientific thinking might reveal. Its nationalist obsessions made political exclusiveness retard and even deny the felt implications of economic necessity. If, in some sudden crisis like 1832 or 1848, its privileged classes paid to democracy and freedom the hypocritical homage that vice has always paid to virtue, it was upon the assumed condition, never frankly stated but always secretly resolved, that the concession could be cancelled by some hidden device. So that when, after the close of the First World War, the combined impact of the Russian Revolution and that counter-revolution of which Hitler and Mussolini are the ugly symptoms forced the secret revolution of privilege throughout Europe into the open, by making its validity the basis of what was virtually an immense international civil war, men faced the question they can never avoid when they reach some vital crossroads of their historical experience: the question of whether they are to make their systems of property systems which at once increase the quantum of material well-being and distribute it with what can be recognized as a genuine concern for equity, or whether they will leave the issue of adjusting their systems of property to the arbitrament of pressures on either side, which are bound to entail violence as their influence is exerted more closely upon one another.

The answer to that question, moreover, was both more complicated and more important because, given the technological conditions of a world economy, expansion that was horizontal and not vertical, alike in the United States and Europe, meant that Asia and Africa, as well as the half-known potentialities of the Australasian continent, were bound to become quite vital elements in the equation which had to be solved. The bombing airplane made frontiers obsolete since it virtually annihilated dis-

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tance. The discovery of atomic fission brought into hazard the industrial potential of any state which could not destroy its enemy before it was itself destroyed. The vast changes which the application of science had forced upon the world meant either that matters of common concern must be decided in common and freely, or that Hobbes' picture of the relations between states as a *bellum omnium contra omnes* was, quite inescapably, a literal description of obvious fact. Would statesmen, to whom those premises of action we term Machiavellianism seem obvious postulates, realize in time that, from these postulates, there now followed, unmistakably, the destruction of all principles of civilized living? Or, could they so overcome the heavy inertia of inherited tradition as to embark upon great experiments proportionate to the necessity they faced, of overcoming the anachronistic contradictions the mere continuance of which spelled the ruin of the world they were ceasing to comprehend, much less to govern?

III

The contradictions of our present situation can be illustrated by a quite simple example. When, as the United States reached its last internal frontier, its rulers chose horizontal, instead of vertical, expansion, its whole future was bound up with its ability to become a great exporting power. Its "manifest destiny" now became, not the Jeffersonian dream of a virtually self-sufficient, if mighty, nation of agrarian and not commercial, complexion, but that of a powerful competitor for the purchasing power of the world's markets, with a prosperity dependent upon its ability to satisfy effective demand more adequately than its rivals. But there it was bound to meet the search of other nations in a similar position, to increase their well-being by similar means. And, at every point, this struggle for external trade was matched by an internal struggle, from which none of them was free, by means of which their workers sought a larger share in well-being in their effort to pass beyond the mere subsistence-level of life. But, once the problem of a nation's ability to become a great exporting Power became a major need, two other unavoidable problems arose. The first was that, as a general rule, the greater the material well-being conceded to the workers by their employers especially where their labor was directly relevant to export, the higher would be the price of the commodity they produced, the more difficult, therefore, to sell it in the face of competition from

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their rivals. The second was that it was difficult alike for employers not to demand, and for statesmen not to offer, the assistance of the state power, both to industry and commerce, to safeguard that export trade upon which so much of any given national well-being had come, by our own time, to depend.

Nothing illustrates more incisively this second problem than the position of Great Britain today. It literally has the choice between an immense expansion of its exports and a swift, perhaps a catastrophic, reduction in its standard of life. If it fails to expand its export capacity, the share of well-being it can allot to its workers is bound to shrink, at a time when those workers have so organized their collective power that a reduction of their share is bound to seem to them an unacceptable denial of legitimate expectation. Great Britain, therefore, must within the framework of her present social and economic order either greatly expand her exports or call upon employers and workers, perhaps upon both alike, to give up the hope of increased well-being.

What is true of the United States and of Great Britain is also true, if in different degrees, of all the major industrial countries. And their position is complicated by the fact that the backward countries in an industrial sense, like India and China in Asia, or like Rumania and Jugoslavia in Europe, can advance the standard of life of their citizens only by taking large and rapid strides to industrialization. But, as they do so in this age of horizontal expansion, they intensify the difficulties of the well-established industrial Powers or they run the grave danger of accepting aid for their economic development in such a way as to become a political dependency of the Power from which they accept it. This is why the immense productive capacity of the United States drives it to seek for open markets abroad, while its manufacturers and merchants who live by its domestic market seek, almost with frenzy, to prevent the entry of foreign goods into territory they regard as their own. That is why, also, Jugoslavia seeks to prevent its nascent industrialism from being subjected to the pressure of more powerful, and often more efficient, competitors from outside. The Jugoslav fear of economic exploitation is shared by other states in eastern and central Europe whose political affiliations with Soviet Russia are close; and, indeed, an objective observer might reasonably argue that these affiliations have also their economic consequences. What emerges is the

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grave difficulty that none of these secondary states may safely be able, in view of the disagreements between the major states, to make choices based upon considerations of its own economic welfare.

It has, moreover, been the fear of entanglement in foreign finance-capitalism which made Soviet Russia, until the beginning of the Second World War, seek to develop its own industrial development with capital deliberately taken from a national level of production which has not yet provided for its workers a standard of life seriously comparable with that of the American worker, the Swedish, the Swiss, the British or the citizen of New Zealand. The market economy, in brief, which is the essential condition of an operative capitalist society, has now in terms of technological possibilities reached a stage where it has become an impossible hindrance to our capacity to produce. If it were to regain the status which once made its principles an aid to progress, it would rapidly reduce all weaker competitors, in the struggle it postulates, to a condition of helpless dependency on the stronger Powers or to a permanent poverty from which they could escape only by the grace of an allotment of some place in the economic sun they were unable to win by their own effort. Since no nation is ready to acquiesce in a status that is bound to lead to violent conflict within its own boundaries, it becomes increasingly involved in the obligation to deny the validity of the market economy. The plain lesson of our situation is the obsolescence of Adam Smith's "simple system of natural liberty," and indeed, further, of any of those more sophisticated versions of its substance that in one form or another now constitute applications of equilibrium-economies. We have reached the point where vertical expansion is necessary for the safety of the world. But vertical expansion means public ownership of the means of production that planned distribution may secure an equitable share for the members of the community. The age of *laissez-faire* has, on every plane of living, drawn to its close. Either we go forward to Socialism or we must go back to an industrial feudalism in which the maintenance of a privileged aristocracy of predatory capitalists involves the destruction alike of freedom and democracy.

IV

That is the issue posed to us upon the economic plane. It is, of course, an issue inseparable from its political context, and in

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that aspect it sets us a problem as decisively simple in its principles as it is decisively complex in their application. A world economy means a world government; and we cannot achieve a world government so long as the operating unit of political administration is the sovereign national state. That became very evident during the recent hostilities when every major plan of the United Nations in the western theater of war demanded, and largely achieved, the transcendence of sovereignty. Indeed, it is reasonable to argue that the difficulties between Russia and the western Powers in the postwar period have largely arisen because, during the conflict itself, the contrast in the implications of their economic systems never permitted that transcendence to emerge by a full coöperation. I do not think it is an exaggeration to say that the Britain of Mr. Churchill and the America which gave President Roosevelt its support on the vital condition that he abandon the New Deal welcomed partnerships with Russia as a means to the defeat of their enemies, but without enthusiasm for the new status victory would bring to Russia. It is, of course, not less true that Russia's wartime alliance with Great Britain and the United States was an essential condition for its liberation from the threat to its existence of Nazi Germany and Fascist Japan; but the rulers of Russia were never under the illusion that America, at any rate, would travel upon the road they had chosen once the common enemy had been vanquished.

That is why the Charter of the United Nations was bound to be built upon the preservation of the national sovereign state, and bound, therefore, to be an unsatisfactory compromise disproportionate to the scale of the problem it was intended to meet. For it applies to the political requirements of a world economy those concepts of Grotius which he devised for a society which existed 300 years ago. He was writing in a mercantilist epoch, when the bourgeoisie had only begun its dramatic rise to power and when the use of the state authority to organize the nation, both for production at home and for markets abroad, coincided with a massive increase in the forces of production, and a creative adjustment of the system of ownership to the possibilities involved in that massive increase. The outlook of Grotius is intelligible enough until some such period as the end of the American Civil War. After its close, the sovereignty of the national state imposed an increasing strain upon the implications

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of a world economy. For as it was utilized to protect or to further the vested interests of the owners in the industry and commerce of any national community, it was essentially an attempt to protect the past against the future, an old technology against a new, the claims of new men and new nations, to alter the historic dispositions of power that they, too, might advance in well-being. Once the Charter of San Francisco made the principle of national sovereignty its basis, the constituent members of the United Nations could coöperate only to the degree that their governments were prepared to sacrifice or to adjust the claims of the vested interests it was the function of each of them to protect, to some larger common welfare which reached so clearly beyond those claims that no vested interest within the territory it controlled would dare to challenge its decision.

Even in the 30 months that have passed since the Charter was signed, it is clear how narrow is the room for manœuvre permitted by this limitation. The really vital decisions taken in the international field since the spring of 1945 have been taken outside and not inside the United Nations organization. That was true of the principles laid down at Potsdam. It was true of the Anglo-American loan. It was true of the aid given to Greece and Turkey by the United States even though, as an afterthought, Senator Vandenberg thought it was wise to make a graceful bow in the direction of Lake Success. Even Secretary Marshall's offer, in June 1947, of collective aid from the United States to Europe takes no account of that European Economic Commission of the United Nations which would seem as though it had been founded for precisely the purpose Mr. Marshall had in mind. To this must be added that, so far, what attempts have been made to utilize the new body do not suggest that it is free from any of the major difficulties — all hinging upon the sovereignty of its members — which wrecked the League of Nations. The veto power means, in effect, that the Security Council is a platform for discussion and not an organ for command, and that, as the Albanian incident showed in the spring of 1946, even where the obligations of a small Power may be concerned. Great Britain has asked for and obtained an investigation into the Palestinian Mandate by the Assembly of the United Nations; but its representative there has been emphatic that acceptance of any proposals the Assembly may agree to make is contingent upon approval of them by the British Government.

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If Egypt and Iran make appeals to the Security Council, it is less in the hope that a decision may be made in their favor than because of their awareness that there alone can they so state their case that they may hope for more consideration than in private diplomacy. Nor must we miss the significance of the facts, first, that the vital rearming by the American Government of the reactionary forces behind Generalissimo Chiang Kai-shek in China was done without discussion with or consent from the United Nations; and that, on acquiring the innumerable islands of the South Pacific, some of which have considerable strategic importance, the American Government refused to be accountable for them to the Trusteeship Council. Nor is it without importance that no reference was made to the views of the United Nations when the American Government obtained its air base in Iceland by a treaty which the Icelandic legislature was far from eager to ratify; it is, indeed, at least possible that, without the pressure of the British Foreign Office on behalf of the United States, the request for the base would have been refused by the Government of Iceland.

The political problem that has emerged from the Second World War is not likely to be solved by the half-measures to which, like its predecessor, the United Nations organization is confined. That is to be set in the background of the absence of Russia from most of its supplementary institutions, above all from the Food and Agricultural Organization, from UNESCO and from the International Monetary Fund. Without full Russian coöperation each of these institutions is bound to be halting and inconclusive. Given as we are given a world economy, any international government which, like the U.N., is fragmentary and interstitial, and possessed only of conditional law-making powers, is profoundly unsatisfactory because so profoundly disproportionate to the issues before it. We cannot rest content until we have a genuine world government expressing, through the direct choice of peoples, in a parliament responsible to them, the will of the common folk, instead of being dependent, like the United Nations, upon the sovereign wills of nation states which express, in all vital matters, the purposes of their ruling classes and subordinate to those purposes the interests of the common peoples. International peace which maximizes creative opportunity is the supreme end of which the common people take account.

The difficulty is that we do not live in a world in which the

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basic economic principles of social organization are viewed in a similar way by all governments. That is, no doubt, the reason why, at San Francisco, Soviet Russia was not less insistent than the United States that the principle of national sovereignty was the heart of the Charter and why, therefore, it insisted upon the veto as the instrument which would express that sovereignty in the operation of international decisions. It is important to realize that this was a reiteration, in a different form, of that insistence upon the rule of unanimity which was closely connected with the weakness of the League of Nations.

For a considerable period, the principle of national sovereignty — and therefore the veto — is likely to remain. It is useless to deny that it hampers any big move toward genuine world government, not only because it prevents decisions being made after discussion, but, even more, because the fear that it may be used acts as a kind of prenatal control over issues which ought to be discussed. The one way round what is, otherwise, a grave handicap to any serious move toward world government would seem to lie in the growth of a functional as distinct from a territorial federalism. If nation states could agree to pool their interests in certain areas of action, as in a single European railway system, or a single system of aviation for the American continent, if there could be joint ownership and control of electric power, say in the Danubian Valley, or an internationally governed irrigation and power authority in the Middle East, we should begin to think in supranational terms about problems which are not only in themselves supranational, but are rarely capable of being satisfactorily solved if they are dealt with always on the national level. The work of the Combined Staffs Committee during the war, and of UNRRA after its close, has shown that this functional federalism can succeed if those who operate it have good faith and imagination and energy. This is a field in which experiment is urgently required. For it is only by transcending a principle the obsolescence of which hinders international coöperation at every turn that we can begin to make men realize that the little platoon which now demands their exclusive loyalty is in fact only a part of the great regiment of mankind. To get that regiment to strike its tents is the first of the duties before us. That is the condition which alone will make it possible for humanity to move forward to a higher conception of citizenship than is permitted by the narrow horizons of the nation state.

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V

If we are honest, we must admit that everywhere there is an important gap between the interest of the people and the will of the state, as this is expressed by the government which exercises sovereignty over a nation. The gap is not easy to define, though it is always there. We can see it in the mutual interpenetration of purposes between the Nazi Party and the German Army under the Hitler régime, or between I.G. Farben and those who, under Hitler, made the ultimate decisions about the German economy. We can see it again in the interaction between the American oil interests and the State Department, as the policy of the United States is made in the Middle East; in this aspect, there is high interest in the contrast between President Truman's claims for the Jews in Palestine, and the curious relations between the Middle East Division of the State Department and the similar division of the British Foreign Office. Or, again, it emerges in the impact of the electric power interests in the United States, both upon the federal government and the governments of the different states.

The gap was grimly clear in France in the protection offered by the Government to the Army during the Dreyfus case, and in that creeping paralysis of will which afflicted the French Government at least from Munich onward; and, indeed, in the fantastic domination of Vichy by Laval, whose allegiance was always coincident with his bank balance. It is the same, too, in Great Britain. A great deal of British agricultural legislation is, right down to our own day, the outcome of a partnership between landowner and farmer and the government, with the general public and the farm laborer bearing the burden of that partnership. The peculiar configuration of landowner, house-property owner, the building industry and the government has always stood in the way of any drastic attempt to grapple with the British housing problem in the interest of the common people; it is only since the general election of 1945 that Mr. Sartorius'[1] daughter has begun to feel uneasy about the unearned increment of her grandchildren. Nor do I doubt for one moment that in any single-party state the very fact that criticism is so swiftly regarded as sedition or treason, that the boundary is so thin between opposition and conspiracy, is proof that there also, even when the instru-

[1] *Cf.* Bernard Shaw's play, "Widowers' Houses."

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ments of production are publicly owned, it is by no means inevitable that the gap is bridged.

I do not need to multiply examples. It is no more than a commonplace to insist that most governments exercise the state power in national communities in the service of the ruling class of the time. They do not do this out of conscious malevolence; they do this because, as Marx said in a classic sentence, "the ruling ideas of an age are the ideas of its ruling class." But this clearly implies that an international organization, based upon governments representing sovereign nation states, reproduces, in the sphere of world affairs, the gap I have described which exists in the domestic affairs of each national community. If we accept the principle that we cannot transcend the sovereignty of the nation state, we are, in fact, saying that the gap cannot be closed in world affairs. We are then arguing that what I have elsewhere termed cosmopolitan lawmaking is ruled out as impossible, even when we know that there are areas of behavior where the need for it is both obvious and urgent. I take one example only. Nothing has done more to poison international relations in the last two years than the revelation of the terrifying destructive power of the atomic bomb. That the principle of national sovereignty should hinder us from being able to prevent its use as an instrument of state policy is the gravest single reason I know for pessimism about the future of mankind. That its manufacture should threaten the integrity of that public and free knowledge within the international community of science, which has been so largely responsible for the conquest of nature, is only less tragic in its possible consequences. So long as we build a world order on sovereignty, when the facts about us have made that principle a clear anachronism, our world order, as a going political concern, is a pretty thin and insubstantial thing, a veil which will be torn aside when the member states in that world order confront their first crisis of serious magnitude. The principle that the nation state must, at all costs, preserve its sovereignty, belongs to and maintains an age of economic scarcity in which privilege is concerned to preserve by force claims which it could not defend by reason. To continue the authority of that principle into an age when we might advance to the economics of abundance is to sacrifice the future to the past, to maintain scarcity because privilege is afraid to buy off its fears by pursuing exactly the same policy which a century ago made 1848 inevitable.

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This is the clue to the First World War, to the inevitability of the Russian Revolution, to the acceptance of Hitler as the executioner of Weimar Germany, and thence, by a logic which the historical pattern has so often repeated, to the Second World War.

Politically, on the international plane, we have not yet taken a single step which proves that we have learned the lessons of this second catastrophe. Europe lies about us maimed and scarred; there is wide divergence of opinion about its restoration to health. We cannot agree upon either the shape or the character of the new Germany; and the longer we delay in reaching that agreement, the deeper the Nazi poison takes hold of its heart. We had an Italy in our hands as early as 1943 which could have been a genuine *Risorgimento* had we possessed the capacity of instant magnanimity; we threw the chances away lest, in exorcising its demon, we injure a pattern of historic relations and promote innovations our rulers cannot bring themselves to regard as desirable, even though they suspect that they may prove to be inevitable. There was the same failure in Greece, a more profound and tragic failure, because we broke liberal hopes in the service of our vested interests. Even the France of the Liberation seems not to have understood all that is implied in the disaster of 1940 and its aftermath in the régime of Vichy — that it is time for France to accept the great Revolution, and to complete the translation of its principles into the fabric of the French nation. If the meaning of so vast an experience as the Revolution of 1789 can still leave mankind in doubt and deep division, it becomes the less remarkable that an event as near us as the Russian Revolution should still have the power to divide men into hostile and angry camps, each of which can hardly speak a language that the other can understand.

Is it possible that the war for freedom and democracy has left us unable to understand what is involved in their fulfilment? Are we so crippled by the burden of our heritage, and so fatigued by our exertions for victory, that we have lost the power to make those innovations in civilized living which any realistic imagination can see are inevitable? Is our western statesmanship so bankrupt that it does not know that the essential wisdom in the art of politics is to abridge the birth-pangs of our emerging order? These are the questions we are bound to ask in this tortured world; and we have to answer them because it is the foundations of our civilization that are in peril.

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For the Second World War was, above everything, the proof of a mortal sickness in the way of life by which we sought to preserve the security of those foundations. Every civilization is in serious danger when, as in ours, there is so grave a disproportion between the growth of material power and the growth of that spiritual and intellectual insight which makes possible common agreement about the use of that power. We could hold social relationships in an uneasy equilibrium so long as faith in some supernatural compensation for earthly inequalities seemed to mitigate their harshness. When that faith declined so swiftly, we were driven to the impossible task of finding a rational explanation for differences which were mostly inexplicable save in terms of laws intended themselves to maintain those differences. And this task was the more hopeless to the degree that it was attempted in a society which, over wide areas, announced its allegiance to democratic principles. In their turn, these depend on the preservation of that freedom of discussion which alone preserves the empire of reason over the minds of men.

The fatal contradiction in the ethos of western civilization is the obvious one that the greater the power it possessed over material things, the more it seemed to call upon the masses to renounce the prospect of the well-being and grace and dignity which it provided for those who owned and operated the instruments of production; and the less able it was to persuade the masses to accept the religious sanction under which that renunciation had been previously imposed. The masses sought, on every plane of political activity, to use the democratic power of numbers to mitigate the results of social and economic inequality; yet each new method they used, from universal suffrage to direct government, always seemed in the end to maintain the configuration of a world in which, both within and between nation states, the growth of material power brought no proportionately juster distribution of the well-being it made possible. That is why, at a pace which has never ceased to grow swifter since the French Revolution and especially since the immense events in Russia in 1917, men's thoughts have turned from political to economic changes, as the effective basis upon which the masses can achieve what they regard as social justice. They have thus been driven to reconsider the legal relations which are implied in a capitalist system of ownership, and in so doing to attempt the readjustment of every aspect of organization, national and international alike,

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in which the legal relations of capitalist ownership are involved. This has brought the vital problem of property into the central field of discussion. About no problem are men more likely to make their reason the slave of their passions; none, therefore, is less easily discussed in a democratic society whose safety depends upon the triumph of reason over passion. As always, when the foundations of social order come into view, primitive emotions are released in both men and nations which make tolerance and reflection too pale a mental climate in which to fulfil the ends for which we are reaching.

We shall not reach a new equilibrium in which peace and reason become the habitual instruments of action until we realize that, in itself, the material control over nature is not an assurance of a civilized way of life. That power must be matched by a proportionate capacity to use our insight into the processes of nature, to offer more spiritual dignity and a higher level of intellectual satisfaction, to the underprivileged citizens in every nation state. And it must be able to offer greater adequacy, also, to the nation states which now fight among themselves for what well-being there is. For it has become common knowledge that well-being is limited less by the depth of our insight than by the boundaries within which the prevalent economic order forces it to remain confined. We have created all over the world fear and envy and anger in human relations by the restraints we have seemed to impose upon men's access to a richer civilization; we have even fought world wars to impose those restraints through one channel rather than through another. We shall not persuade men to go down a third time into the abyss to rescue a way of life that decays before their eyes.

Our supreme need, therefore, is to find that common faith which enables us all to coöperate in casting off those restraints. Our history will become an ever more tragic drama until, by the discovery of that faith, we become able to persuade the world that we are consciously devoting alike our knowledge and our power to affirm, and not to deny, the yearning of the common man for creative fulfilment. It is, moreover, urgent to realize with all the speed we may that in this epoch time is no longer on our side.

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THE GREAT MILITARY DECISIONS

By John J. McCloy

ANY attempt to specify authoritatively the most important military decisions of the Second World War would require too much by way of preliminary definition to be possible in reasonably short compass. Yet to join together, however sketchily, some of the events which to one individual marked the general pattern of the war may induce other more serious efforts and possibly provoke a reappraisal of some events heretofore overlooked or taken for granted.

In spite of the extraordinary press coverage of World War II, so many facts remain undisclosed or obscure that even the large generalities of strategy have to be stated with caution. The necessity for such a warning is rather spectacularly borne out by the disclosures resulting from the statements of former German and Japanese officials who have been interrogated since the close of hostilities, and by the documents which were made available at the war criminal trials and thereafter. For example, there is no need to debate further the once lively issue of whether Hitler was bluffing when Chamberlain and Daladier surrendered Czechoslovakia to him without a fight. The Nuremberg documents show incontestably that Hitler was prepared to invade Czechoslovakia immediately and to take on a general European war then and there. Although some obscurities still cling to the Soviet-German alliance of 1939, there seems to be little room for doubt that the Soviet Union then agreed with Germany to carve up Poland and other parts of Europe, and that Mr. Molotov even appeared willing to join the Axis as late as the spring of 1941 if the Soviet Union were made a full partner. Again, the disclosures contained in the minutes of the Hitler-Matsuoka conversations in early 1941 in Berlin, dealing with the impending Japanese attack on the United States and Hitler's "blank check" commitment to Japan, make inconsequential the American decisions respecting Japan in the summer and fall of 1941, which appeared important at the time.

The German campaigns in Norway, the Low Countries and France, following the "phony war" of 1939, involved many bril-

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liant tactical decisions on the part of German military leaders, but for the first great military decision of vast strategic importance one is disposed to pass these over for the British decision, in the summer of 1940, to reserve out of the fighting in France a sufficient remnant of the Royal Air Force fighter command to meet the threat of an attack on England itself.

With rare foresight a small group of men in Great Britain had projected the design and the production of what for that time were the unusually speedy and heavily-armed Hurricanes and Spitfires of the Royal Air Force. The Force was tiny as compared with the size of subsequent fighter forces but within its orbit — England and the Channel — it was capable of blasting any existing German planes out of the air. The finest British military energies and intelligence seem to have been concentrated on this narrow field, for in most other respects the prewar military planning of the British was less developed. But, as at the Pass at Thermopylae, it was just at this point that the then very limited but special strength of the defender could be best applied against the invader. It was the determined and steadfast opposition of certain leaders of the Royal Air Force to any wasteful use of these planes on the Continent which really saved the day for Britain. If the remaining force had all been thrown in against the general German advance, it would have disappeared like water on a hot stove and with about as much effect.

It was applied over the French evacuation beaches at the end of May and the beginning of June 1940. This, in reality, was the commencement of the Battle of Britain, and the air superiority which this fighter group insured enabled 225,000 British and 113,000 French and Belgian soldiers to be taken safely across the Channel, out of the very maw of the German armies, in less than a week. Thereafter came the heavy German air attacks on England, commencing on August 8, 1940. Of what ensued all the world is now aware. But in contemplating the fine tribute which Mr. Churchill paid to the fighter pilots of the Royal Air Force, one should always recall that homage is also due those whose hasty but effective planning gave to the pilots at the critical period the excellent planes which enabled them to deal with the German bombers. And to those even fewer airmen, physicists and engineers who had seen the need and had designed the means for anticipating the German attacks through the use of radar should go thanks as deep.

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There are other decisions which rank with these in their ultimate significance, but it is difficult to think of many, particularly if we confine ourselves to a consideration of those of a predominantly military character. The writer summed it up elsewhere as follows:

> As the perspective lengthens, this phase of the war stands out perhaps as deeply significant of the ultimate course of the conflict as any development which came later. Until then Hitler had called the tune and his conquests which had matched some of the very greatest of all military history lost much of their momentum at just this point. Thereafter his complications accumulated, and he was compelled to improvise new avenues of conquest. Relying on what he assumed would be the inability and unwillingness of Britain to continue to oppose him after the collapse on the Continent, no adequate plans for a timely or full scale invasion of England itself seem to have been prepared. The Luftwaffe, well conceived for bombing over the battlefield and rear areas in the field, was not adequately designed for the defeat of a nation such as Great Britain. Britain stood, resolute, if shaky, and with her stood hope and the vast strategic consequences of her continuous lines of communication and bases around the world. Her stand signified the preservation of a great bastion in the Atlantic by which reentry to the Continent was possible, a great and firm base in, through, and from which her own continued strength and the great powers of the North American Continent could be delivered.[1]

It might be said that Hitler's decision to attack Russia was a military move and that it carried with it such untold consequences as to justify placing it ahead of the decisions which led to the organization of the air defense of Britain. The area where the political begins and the military ends is always an uncertain and hazy one, but the motivation for the attack on Russia was so much a reflection of the strange mind of the leader of the German state and his unholy ambitions that it is not justly comparable with the kind of choice which the military leaders of Britain made in respect of their use of the Fighter Force in 1940.

It is difficult to deal with the Russian military moves in any detail due to lack of information, but the decisions which left in reserve such a large amount of strength to throw against the Germans, after the heavy battles nearer the frontier, were of the greatest importance. The determination to hold Moscow and to stand fast at Stalingrad stand out as critical. In the case of Russia, as in the case of the United States, the specific decisions as to war or peace clearly were made by the enemy. But so little is known of how and when and by whom most of the

[1] "Ten Eventful Years," Encyclopedia Britannica, Inc. 1947.

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subsequent decisions were made that, at least from this distance, we can only speak in generalities about them.

II

Before coming to the great military decisions which determined the conduct of the war on the part of the United States, it is necessary again to refer to events of a political nature. Though political, their military implications were so great that we cannot follow the course of the actual hostilities without reference to them.

It has already been suggested that the actual entry into hostilities was really decided for the United States by others. If Secretary Hull had made a complete surrender to Japanese expansion plans in the Far East early in his conversations with Admiral Nomura, it is arguable that war could have been temporarily averted. However, the long-held intention of those in control in Japan to intensify the already existing aggressive warfare in the Far East, to seize the Philippines and attack British and Dutch possessions, is now too clear to suppose that any concessions in the summer and fall of 1941 would have meant more than a brief delay. And, if Japan chose to attack the United States, it is clear that Hitler intended to join Japan immediately in war against the United States, which indeed he did before the Congress of the United States could itself act. There were, however, earlier decisions which were of vast importance in determining the manner in which the United States was to wage war if war should come. They fell into two categories — those which determined that the line of hostilities should be held away from American shores and those which determined that the United States should prepare a total mobilization of the energies of the nation for war.

In the first category we should perhaps start with the "quarantine" speech of President Roosevelt at Chicago on October 5, 1937. Though the President appeared to draw back from time to time thereafter from this strong position, it remained a note of warning to the aggressors and became a true guide to United States policy. Considerably later came the "stab in the back" speech of June 1940, and then the highly important "destroyer deal" of September 2, 1940. Of almost the same order of significance was the introduction of Henry L. Stimson into the Cabinet. A resolute statesman always, he was well known to be a pro-

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ponent of a most positive policy against aggressors by his stand against Japanese aggression at the time of the Manchurian affair and, more recently, from his New Haven speech of June 18, 1940.

The crowning decision of this phase of United States policy was, of course, the introduction of the Lend-Lease legislation into Congress in January 1941. The determination to make our supplies available to the anti-Nazi forces was an eloquent indication of the determination of the United States to keep hostilities from American shores. At the time, most Americans still hoped to pursue limited objectives — "aid short of war." But Lend-Lease was likewise mighty evidence that preparations for an "all-out" effort were under way. So important was this legislation that a brief account of the manner in which it was conceived and carried into effect, as it lies in the mind of one who was closely associated with its genesis and the earlier stages of its execution, seems justified.

Prior to the passage of this Act all efforts to make available any military supplies to those who were opposing German and Japanese aggressions met with a perfect tangle of statutory restrictions. Over the years the limitations on any form of disposal of any Government equipment, whether military or not, whether surplus or obsolete, had so proliferated that no immediate substantial transfer to other countries was possible. It became evident that the threat from the Axis was growing stronger, that the *tour de force* of the destroyer deal would not stand repetition, and that the old process of monetary loans was fraught with such economic and political complications that it could not be applied. It was therefore determined to propose legislation directly authorizing transfers of all types of supplies to those nations whose defense was deemed to be vital to the defense of the United States. Mr. Stimson's naturally forthright approach and his instinct to grasp at the nettle of any problem played a large part in the choice of the method adopted. In the last analysis, however, it was the clear-sightedness and strong leadership of the President which gave direction to the policy. The preparation of the legislative program was given over largely to the Secretary of the Treasury, Mr. Morgenthau, and he turned over the drafting of the Bill to a few members of his staff headed by the General Counsel of the Treasury, Mr. Edward Foley. In an incredibly short time H.R. 1776 was drafted and presented to the Congress.

Equally important as the decision to keep the war as far as

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possible from United States territory was the determination to commit the whole nation's strength to the winning of the war if the nation was to become involved in it. It is one of the strange quirks of history that the initiation of one of the most important decisions in this regard, that is, the adoption of Selective Service in the early fall of 1940, cannot be credited to the Administration. Indeed it was not until the advent of Mr. Stimson that the measure was urged or actively sponsored by the War Department. It required the foresight, vigor, and effective effort of a group of citizens, headed by the indefatigable and purposeful Grenville Clark of New York, greatly aided by such men as Senators Austin, Burke and Gurney and Representative Wadsworth, even to convince the War Department authorities that the legislation was worth attempting in peacetime. As the movement gathered momentum, Administration and War Department support gathered behind it. On September 16, 1940, for the first time in the history of the country, universal military service in time of peace was prescribed for the nation. The importance of this step on the future conduct and outcome of the war is hard to overestimate.

There are those who constantly repeat, on the occasion of every consideration of such a measure, the utterly discredited theory that modern war requires simply a highly-trained professional force of moderate size. Wishful thinkers are prone to urge that "science" rather than men win wars, that "mass" armies are useless, and it becomes the fashion to play with crisp phrases, such as "hard hitting," "streamlined," "scientifically trained," "highly mobile," as applied to military units, all adduced to contend against the necessity for training all the eligible manpower of the nation for modern war. (The demands on trained and disciplined manpower in atomic war, if it should ever come, will, of course, be greater than ever before.) The example of 1940 should be borne in mind by all those who are tempted to advocate lesser measures when the defense of the country is involved. Without the 1940 legislation there would have been no attack in 1942 in Africa, nor could such an attack as the United States was able to maintain through 1943 have been possible. While speaking of critical decisions affecting the course of the war, there should always be included the one-vote margin by which the House of Representatives defeated the proposal to release all draftees who had served one year in the forces. Just four months

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before Pearl Harbor the United States came that close to losing an effective army.

In reference to this second phase of our preparation for war, there should be mentioned the initiation of the so-called Victory Program in July 1941. Though American public opinion was not to accept completely the necessity of an all-out effort until Pearl Harbor, there was put on paper that summer the plan for the full mobilization of the nation's strength. A most important and well-prepared element in the program was the portion dealing with the development and employment of a great strategic air force. The program also included the estimate of the needs in manpower, ships and industrial mobilization of the United States for the complete defeat of the Axis. It also included an estimate of the needs and the productive possibilities of Great Britain and provided for the pooling of resources of the two nations.

The President gave his approval and his inspiration to the project. To him should go the chief credit for its conception, though there were many others involved in a lesser capacity. Among them should be named Major General James H. Burns, now retired, who worked first with the Under Secretary of War's office and later with the Combined Munitions Assignment Board. General Burns gave inspiration and impetus to the program in a manner for which he forever deserves well of his country. Major Wedemeyer (now Lieutenant General) was the main draftsman of the War Department plans for the military units and their employment, all of which were a corollary of the adoption of Selective Service.

III

Now come the decisions which were explicitly military. In the summer of 1941 important conversations were initiated between the United States and United Kingdom military authorities. They were informal, but they led to the conclusion that the defeat of Germany should be the first main objective of any eventual combined operations. The President took no formal action on the results of these conversations, but at the Atlantic meeting of Mr. Roosevelt and Mr. Churchill, which took place between August 9 and August 12, 1941, for the first time the two leaders dealt with the application of the respective strengths of their two countries in the event the United States became directly involved in the conflict.

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These meetings confirmed in effect the earlier military conversations (with some changes), and thereafter the principle was accepted that, assuming the United States became involved, the defeat of Germany was to be given priority until such time as the combined strength of the two countries was sufficient to deal with both the Atlantic and Pacific theaters on an equal basis. This was a decision of the greatest consequence, for it determined that our effort in the Pacific should at the outset take on a defensive character — or at least no more than a character of aggressive defense.

In retrospect, the determination to apply the greatest power to the destruction of the German forces grows in importance. In the first place, there was always the enigma of the Soviet Union. Her strength was largely an unknown quantity. Russia had collapsed in World War I and things were going very badly for the Soviet Union following the sudden German attack of June 1941. Again, while the Soviet Union was in the war, the Atlantic approach offered the best opportunity to destroy Germany by an attack on two fronts and any respite given to such an enemy as Germany was dangerous in the extreme. It was with Germany rather than Japan that the greatest scientific and industrial war potentials lay. Moreover, delay might enable Germany to organize a vast European industrial potential to support her war effort. It was also feared that delay might give Germany an opportunity to form a juncture through India with Japan, if the U.S.S.R. could not hold out. Finally, it was realized that perhaps the chief obstacle to the transmission of any United States power to Europe lay in the German submarine. All these considerations led to the determination to treat Germany as the major threat and, in case the United States became involved in the war, to apply the combined energies of the United States and Britain against Germany as early as possible.

As things turned out, the submarine menace was conquered none too soon; for even as it was being conquered, new types of under-surface vessels were emerging which, through their speed under water and their ability to remain submerged for long intervals, reduced the effectiveness of our existing anti-submarine devices. Moreover, and perhaps even more important, any prolonged delay in attacking Germany would probably have meant systematic destruction of London and the ports of Southampton, Portsmouth, and Plymouth by means of the V-1's

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and V-2's. The V-1's began to fall on London in the very month that the Normandy invasion was undertaken.

Growing out of the decision to treat Germany as the main enemy were the plans for the creation of a large heavy-bombing force, with the attendant smaller air craft, to be made ready for attacks over the Continent at the earliest possible moment. It was this mighty supplement to the already powerful British air attacks which was to furnish the chief basis of all General Eisenhower's planning for the attack on the Continent, namely, overwhelming air superiority. He early recognized that a prerequisite to success was the power of an overwhelming air force to intervene decisively in a land battle on the Continent. The truth of this doctrine was to be demonstrated at Salerno and it was to be confirmed again in Normandy.

When one realizes that in the initial stages of the 1944 landing only five or six divisions were in the assault and when we consider how closely the Germans came to having a preponderance of air fighter strength through their more rapid development of jet planes, some concept of the importance of the time element in the Atlantic theater becomes apparent. It all relates back to the prewar plans to apply the full resources of the nation to the defeat of the enemy and the decision to bring them to bear first against Germany.

The Atlantic meeting was followed by the so-called Rainbow papers which implemented the purely United States aspect of the strategic plan. Generally speaking, they were the plans on which the United States fought the war. At this point the Japanese attacked Pearl Harbor and all incipient doubts and demoralization, some signs of which were developing in the country during 1941, were wiped away. The attack galvanized the nation and solved many pending problems which the War and Navy Departments had been facing in their efforts to achieve a solid preparation for the threatened war. Shortly after the Japanese attack, the meetings known as "Arcadia" took place in Washington, December 24, 1941, to January 14, 1942. Greatly to the relief of Mr. Churchill, who was fearful that the earlier conclusions might be altered because of that attack, the basic strategy was again confirmed.

Thereafter there occurred between the United States and British representatives many debates, differences of opinion, and threats to alter plans, but never in the course of the war was

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there a fundamental departure from the basic pattern. This was due to many causes but very largely to the fact that there was set up at "Arcadia" the machinery of the Combined Chiefs of Staff. In spite of many divergencies of view, matters were ironed out and finally welded into a close coördination of plans. The fact that the Combined Chiefs of Staff, with such men as General George Marshall and Field Marshall Sir John Dill as the guiding figures, sat continually throughout the war, had much to do with keeping the incessant pressure on the enemy that finally brought his downfall. This phase of the Allied planning is in greatest contrast to the utterly divergent action which marked the course of Axis strategy.

Close upon the determination to afford priority to the European theater came the series of decisions which led to the agreement to throw the main British and American strength directly against Germany by an attack from the Atlantic side. That this was the only sensible thing to do was the view of the United States Chiefs of Staff from the start. It was accepted with reluctance by the British military leaders and Mr. Churchill, though it is doubtful whether Mr. Churchill ever questioned the eventual necessity of such an operation. To him an attack through France held the menace of untold casualties. He seems to have had before him always the dread prospect of a repetition of 1916 and 1917 when such a vital element of the young manhood of England was lost in the prolonged slaughter on the Somme and at Passchendaele. Though Mr. Churchill's inclination was to accept such an operation as eventually necessary, he constantly clung to the concept that it should take the nature of a follow through after Germany's grip on the beaches and in France had been loosened by other operations.

In April of 1942 General Marshall made a special trip to London to press home the necessity for an attack across the Channel as quickly as the essential lift and power could be mustered. The military representatives of both countries then agreed to implement such an attack and accepted the principle that all other operations were to be auxiliary or supplemental to it — and with the least possible retarding effect on the main effort. The conference led to the plans for the operation whose code name was "Roundup" — an attack in 1943 — with "Bolero" as the build up program to make the necessary men and supplies available. As an intermediary step "Sledgehammer" was tentatively

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planned. The last-mentioned operation envisaged only a limited attack on the Continent pending the major effort. It was also to be made in the event it became necessary to cover the effect of a possible sudden collapse of either Russia or Germany.

It is not proposed to follow all the conferences which either reaffirmed or operated to postpone the cross-Channel attack. The reasons both for the attack, and for its postponement until 1944, seem to be sound. It was obvious that no major attack could be mounted in 1942 and the British War Cabinet made it clear in July 1942 that they would not coöperate in any stabs on the Continent in that year. But the importance of promptly employing the available forces of the United States was apparent. Consistently with the determination to push the war to the enemy, Mr. Roosevelt intervened to demand an attack somewhere in 1942. The British were in enthusiastic accord with the concept of any attack in the Mediterranean, and "Torch," or the combined British-American attack in North Africa, was undertaken. The staffs had been doing preparatory work for landings in this area and to the British the Mediterranean was a much more palatable and feasible area for immediate attack than France. Certainly no heavy effort could have been made in France in 1942. The vitally important "lift" for a full scale invasion simply did not then exist. "Torch" thus became the alternative to "Sledgehammer."

The decision to risk the North African landings proved to be a turning point in the war. That campaign demonstrated that substantial forces of the United States and Great Britain could be transported, landed and supplied in full far from their home bases. The plan was a bold one — it was reported that General MacArthur termed it "the greatest gamble in military history," though he felt the operation should be undertaken. There were many who agreed with him. The success of the landings threw the entire German effort out of balance, and the German leaders realized immediately that the strength of the United States had again become an enormous military factor operating directly against their plans for the consolidation of their European conquest.

The continuation of the Mediterranean operations was affirmed at Casablanca in January 1943 and, though the cross-channel operation was again subscribed to, it was clear that the "Roundup" of 1943 must become "Overlord" for 1944. Further reaffirmation

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of "Overlord" came at the meeting known as "Trident" in Washington, and later at "Quadrant" in Quebec in 1943. But it took a final and somewhat pointed discussion at Teheran in November–December 1943 really to convince all quarters that "Overlord," an all-out operation aimed at getting quickly at the heart of Germany rather than taking the long way round, was really to be laid down for early 1944.

Premier Stalin made it quite clear at Teheran that he took no stock in the Allied avowed intentions as long as no commander had been appointed. The justice of this point of view was apparent, and following the Teheran Conference the resumption of discussion by the British and United States representatives at Cairo settled the matter. In its settlement one of the most significant decisions of the war was taken — namely, that an American rather than a British commander should be selected. At Quebec the nationality of the commander had been discussed and the wisdom of appointing an American had been stated. Mr. Churchill had tentatively promised the position to Field Marshall Brooke, but the force of circumstances was too great to allow this. The competence of the United States military men was certainly as marked as that of Britain, and the dependence of success so heavily hung on the provision of men and supplies by the United States that it seemed only appropriate that the commander should be an American. There was another reason: the United States had not been through the blood baths of World War I and its military leaders, backed by the full vigor of a youthful nation, were less impressed by the difficulties of a European conquest than those who were steeped in the memories of those terrible casualties. It was therefore felt by many that with American leadership the attack would be pressed with greater boldness and on a larger scale than might otherwise be the case.

One finds difficulty in finding the words to suggest this American feeling, since they should carry no imputation of lack of British will to fight or reflection on British military prowess. Nothing was involved but an attitude of mind toward a continental campaign. Whether the American feeling was sound is arguable, but it was a factor in the minds of those on the American side who took part in making the decision.

Mr. Churchill yielded and it was agreed that an American should lead. Whether he was to be General Marshall or General

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Eisenhower was of lesser importance than that the great attack should be headed, at least at the outset, by one whose country was relied upon to furnish the greater support. The British people and their leaders coöperated, the decision was accepted and made to work. After the decision was made there was no question in anyone's mind of holding back and a sustained period of intense planning by British and United States staffs continued from then to D-Day.

The merits of the cross-Channel operation and of its timing have been argued, but there really seems to be very little of a controversial nature left to discuss. Secretary Stimson and General Marshall are listed as the chief protagonists of the direct attack and Mr. Churchill as the proponent of a main effort in the Mediterranean, with the cross-Channel only as a follow up. We are not concerned with a reargument of the military considerations which led to the adoption of the plan. In view of the complete success of the operation as it was undertaken and the strain it took to find the lift in the form of landing craft for 1944, it seems idle to conjecture as to whether a different approach at a different time would have resulted in a quicker accomplishment of the military objectives. Indeed, since the war, most of the discussion on the matter has centered not upon military considerations but upon the possible postwar political advantages which it is felt might have been gained had the attacks proceeded through the Mediterranean. We frequently hear the remark that "Churchill probably was right," for the idea seems to have gained ground that it was for postwar political purposes that the British Prime Minister for a time opposed the landings in France. The thesis runs that the presence of troops of the western nations in eastern Europe would have greatly dissipated Soviet predominance in those areas, and that the result might have been fewer political and economic frustrations in Europe today.

In passing, it may be well to point out that any assumption that the political consequences of an "under belly" attack would have been advantageous is of somewhat doubtful validity. It is entirely possible that the western Powers are fortunate that they are not occupying more of Europe than they are now. If their troops and policies were intertwined with Soviet troops and policies in areas largely populated by Slavs, the complications and demands on their resources and patience might even be greater than they are at present. Furthermore, if the western Allies'

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main effort had been through the Mediterranean it is likely that even more of northern and western Germany would have been occupied by Soviet troops than at present. It is doubtful if the United States and Great Britain would ever have been able to maintain substantial numbers of troops in both Germany and southeastern Europe.

It may also be said that it is the feeling of many if not all those who debated the timing of the attacks across the Channel with the English Prime Minister that he never expressed his opposition to the Channel operation on political grounds. There were those who charged him with having political motives, but the general impression which he created upon those who did debate the issue with him at length and vigorously was that he sincerely held to his position for what appealed to him as sound and thoroughly military reasons.

Mr. Churchill has seen much of war and warriors; he comes from a warrior line and has written on military affairs at length. For these and other reasons he did not hesitate to consider himself sufficient of a strategist and tactician to be competent at least to debate military decisions with the professionals, if not to dictate to them. He certainly did not hesitate to express military views, and in the light of his experience in World War I he was naturally disposed, as has been pointed out, to take a rather dim view of landings in France or the Low Countries. "Beaches running blood — Corpses in the Channel," these were his metaphors and the reasons for his hesitancy. His later attitude toward the attack on southern France, as against a landing in the eastern Mediterranean, may have had some political motive and his excoriation of "Anvil" or "Dragoon," as the attack on southern France in August 1944 was finally called, was vivid to say the least. History should, and particularly Mr. Churchill's own account no doubt will disclose the full motivation; but pending such enlightenment we should hesitate to ascribe to the British position in the cross-Channel operation political rather than military motives. It is said that the Prime Minister always felt that as the code description for the Southern France operation, "Dragoon" was peculiarly appropriate since he always stoutly maintained that he had been dragooned into it.

If we may return to Casablanca for a moment, it can quite reasonably be contended that, apart from the decision to continue the Mediterranean operations and prepare for "Overlord,"

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another decision of moment was made there, namely, to undertake, as a major employment of the United States heavy bombers, a sustained daylight bombing attack on Germany. Daylight bombing had been heavily criticized by some elements of the British Air Force, but the United States Army Air Forces had great confidence in their ability to take out specific targets in daylight with their heavily armed and armored B-17's. It was later proven that their confidence was justified and the decision was deeply significant. It was by the early concentration of heavy bombing attacks on targets which directly affected the maintenance of the German Air Force that the vitally necessary air superiority to cover the 1944 land operations was insured.

IV

Thus far little has been said of the Pacific. It deserves no slight, for the outcome of the war there has had a profound effect on the future of a vast area of the earth's surface. The dominance of the United States in the Pacific, and the shakeup of the Orient as the result of the war, may well have greater long-range consequences than the defeat of Hitler. Yet it is extremely difficult to find parallels in the Pacific to the type of decisions made in the Atlantic war. The reason for this is largely geographic. The Pacific area is devoid of countries and nationalities of anything like the character of those in Europe. A military landing in France, for example, necessarily touches off more consequences and more comment than the occupation of a coral reef or even a large island in the Pacific.

We have seen that the entry of the United States into the Pacific war was determined by the Japanese. The decision to attack Pearl Harbor ranks on about the same level with the German decision to attack Russia in 1941. The Japanese move certainly started a train of events which classes it as one of the major decisions of the war, but it was based on even greater miscalculations than the German decision. In some quarters there has been put forth the fantastic theory, advanced with a persistence worthy of more intelligence, that President Roosevelt deliberately put down his defenses at Pearl Harbor in order to induce the Japanese to attack. The argument runs that thus he hoped to counter the prevalent anti-war sentiment in this country and, on the strength of the national reaction to such an attack, freely enter the war in Europe. This rather venomous suggestion need

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not detain us, but the very fact that it is advanced indicates the extremities to which it is necessary to go to find any semblance of positive or overt action by the United States responsible for the start of the war in that area.

We have referred to the early agreement to make the Pacific a secondary theater pending such time as full strength could be mustered in both the Atlantic and Pacific. This, however, was decidedly negative as far as the Pacific was concerned. Consequently, though there were a series of military decisions of supreme local importance in that area as bold, as courageous, as intelligent as any which were made in any other area, they appear to have resulted mainly from the developments of the great battle as it moved across the ocean with the growing strength of the United States. Certain of these decisions are no less interesting or provocative of discussion than the decisions taken in the Atlantic.

In surveying the course of the Pacific war, one is disposed to place the order given to the forces in the Philippines to stay on and fight it out on Bataan as the first of the important decisions. Although really capable of only one outcome, this determination, to the writer's mind, remains one of the most spectacular and also important choices of the Pacific war. At the time of the initial Japanese attack on the Islands there was no time or thought for anything but fighting back. However, after the United States and Philippine forces had been driven back on Bataan, but considerably before the total exhaustion and envelopment of the troops which followed about two months later, President Manuel Quezon proposed by cable on February 8, 1942, that the neutrality of the Philippines should immediately be declared and that further fighting should cease. It should be noted in fairness to President Quezon that the proposal was made after consultation with American advisers, military and political.

Though the successful withdrawal to Bataan gave an opportunity to continue a stout, even if eventually hopeless defense, no prospect could be held out, and none was held out, for the relief of the garrison. Sickness and fatigue already were striking the command, but any effort under these circumstances to declare the Philippines "neutral" and to cease fighting could only have been unfavorably construed. To have ceased fighting at this point would certainly have given great heart to the Japanese and marred the strong moral position of both the Philippines

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and the United States in the Orient. The stalwart fight that had already been put up in the Philippines had been the one thrilling development in a whole series of disasters which up to that time had marked the attempt to check the Japanese. The uncertain defense of Singapore and the Malay Peninsula had already deeply affected the position of the western nations in the Orient.

To cut short the fighting with a declaration of a somewhat belated and questionable neutrality, however painful the alternative, was impossible. Any step which could be interpreted as a display of weakness on the part of the United States at that stage of world affairs had to be excluded. The response from Washington was immediate, for on February 9, 1942, the order to fight it out was dispatched to the United States troops and President Roosevelt cabled President Quezon of his inability to accept the suggestion, at least so far as United States troops were concerned. The destiny of the troops and of the Philippines was fixed by this reply to the Quezon proposal and both Filipino and American units continued the fight until the possibility of further resistance was completely lost. It should be added that President Quezon loyally accepted the decision and gave his full support to the continuation of the fight. This decision not only was of great moral significance, for the continued resistance tied up substantial Japanese forces and energies when time was a great factor in the Pacific. It also rendered necessary the subsequent decision to return to the attack in the Philippines in 1944, rather than, as was later urged by some, to by-pass the Islands for Formosa.

Another decision of importance was General MacArthur's determination, in the closing months of 1942, not to stand in Australia and await the Japanese attack there but to take the battle to New Guinea, hold Port Moresby, cross the Owen Stanley Range, and seize Buna. It was, of course, bold, vigorous and right. The action caused a breath of air to move through the whole heavy atmosphere which up to then had largely pervaded the Pacific scene.

Of at least equal if not greater importance was the decision by the Joint Chiefs of Staff, really initiated and pressed by Admiral King, to land and fight at Guadalcanal and Tulagi in August 1942. The agreement to make the Atlantic the main theater and stay on the defensive in the Pacific might have justified a watch-and-

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wait policy in the Pacific, and there were other lines which could have been held in the Pacific besides the line of the Solomons. It was obvious that the Japanese were directing their thrusts down the Solomons to the southeast in order to cut the Samoa-Fiji-New Caledonia route to Australia. The determination to break up that attempt and fight the Japanese, ready or not, on that line stands out as great as any decision of the Pacific war.

Preceding this decision the Battles of the Coral Sea and Midway had occurred and, but for the losses sustained by the Japanese, particularly in naval aircraft and pilots, the Guadalcanal operation probably could not have been carried out successfully. As it happened, it took the form of a rather tight fit with the limited carrier and cruiser strength which the United States Fleet then possessed.

The fact that it was decided to fight at all on this scale and with such boldness in the Pacific, before any large offensive operations were undertaken in the Atlantic, had a profound effect on the course of the Pacific war. Moreover, the fact that the effort was successfully made at this point, in the teeth of the heaviest determination on the part of the Japanese to resist it with all the naval, air, and land strength they could muster, created qualms in the Japanese High Command which even the Coral Sea and Midway losses had not aroused.

Admiral Nimitz's decision to concentrate his strength off Midway after the Coral Sea Battle may not fall into the category of grand strategy even though it produced one of the three great air-naval engagements of the Pacific, the others being the Battle of the Philippine Sea and the Battle for Leyte Gulf. Admiral Nimitz took fine advantage of the help which his excellent intelligence gave him. He placed the United States strength in a position to reduce the Japanese naval power to a point where the greatly superior shipbuilding capacity of the United States could rapidly give the American Fleet unquestioned ship and air superiority throughout the Pacific. Midway was a definite turning point in the Pacific war.

Another outstanding decision in the Pacific was the resolve to cut directly across the Pacific, attack Kwajalein, by-pass Truk, and go straight through to the Marianas in 1944. There were great doubts about the attack on Kwajalein; even Admiral Spruance, who was a firm advocate of the central Pacific thrust, doubted the wisdom of an attack on Kwajalein. However, Ad-

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miral Nimitz was for it and the Kwajalein operation turned out to be one of the easiest of the Pacific undertakings, instead of a greater Tarawa, as was feared. Admiral Nimitz then made the decision to go directly through to the Marianas, by-passing Truk, and this decision was strongly supported, if not recommended, by Admiral Spruance and Admiral Sherman. Truk had for a long time been the assumed objective of the United States Naval Forces, but the growing realization of what could be done by air power in neutralizing positions of this character prompted the bolder and more effective course. Japanese forces were fatally split as a result of this operation and after it was completed large numbers of them to the south were left merely to "die on the vine."

Moreover, with the taking of Saipan, Guam and Tinian the doom of Japan was sealed. In this decision to seize these islands lay a recognition of the value of strategic bombing in modern warfare. In the Pacific just as in the Atlantic theater, the assumption of overwhelming air superiority was a decisive factor in the contemplation of any landings near the enemy's home base. The B-29 bombings of Japan's industrial cities from the Marianas combined with the great effectiveness of the carrier forces produced this superiority just as it was induced in the Atlantic theater by the weight of the strategic bombing force on the German air industries combined with the direct attacks of hand fighter forces in the combat areas.

V

In any list of striking decisions the writer would be tempted to include Winston Churchill's dispatch of badly needed troops and material from England to Egypt in 1940 and 1941, while the British Isles were in threat of immediate invasion and the long passage to Africa was hazardous in the extreme. Though no decision was gained in the Middle East at that time by this action, at least this critical area did not then succumb to Axis attack. Whatever the immediate effect, the very boldness of the strategy places it in front rank as a great military decision.

Admiral Andrew Cunningham's management of his slender naval resources in the Mediterranean during the same period was not only brilliant — it ranks with some of the best accomplishments of Nelson — but it held important consequences for the future.

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In this class of brilliant tactical conceptions and excellent execution are General MacArthur's moves up the ladder of New Guinea to the Philippines and his decision to land the Sixth Army at Lingayan Gulf, which led to the early capture of Manila. In the same class was General Eisenhower's prompt comeback at the Bulge in the winter of 1944–45, and his decision to destroy the German Army west of the Rhine.

The extraordinary record of success which the United States submarines turned in throughout their operations in the Pacific should certainly be placed high in any estimate of the basis for military success; it involved careful planning and imaginative decisions, as well as great boldness and intelligence on the part of the crews. What the submarines did to reduce Japanese effectiveness is not yet fully realized. Another factor of the Far Eastern victory which tends to be underestimated is the completely devastating effect of the B-29 bombings on the Japanese cities prior to the bombing of Hiroshima.

One other spectacular military decision should be mentioned before we bring this appraisal to a close. When one considers what was at stake and the enormous responsibility which attended it, it is difficult to find a decision more acute, more wearing, or more personal than the one made by General Eisenhower as he fixed D-Day and gave the signal for the attack on the Normandy beaches in 1944. General Eisenhower was the one person, and the only one, who could make the decision. In spite of all the force at his disposal, and all the information he possessed, there were still vast uncertainties before him. An armada had once been dispersed, close to these very waters. Any serious disruption of all the delicate timing of the Normandy invasion might mean a great disaster. The success or failure of this mighty attempt was the "pay off" for many agonizing years of effort and sacrifice on the part of many nations.

Only at certain intervals were tidal conditions such that the attack should be attempted. The day first set was discarded because of weather threats, and on the next possible day the weather was still uncertain. If the attack did not take place that day it would have to be postponed for a prolonged interval. Eisenhower had many considerations to weigh; but he chose that day in spite of the uncertainties, and it is rather grim to record the fact that the next day on which the tide would have been favorable, June 19, 1944, the great three-day storm hit the beaches

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which destroyed the "mulberries" and the "gooseberries" in the unloading areas. It is probable that a disaster would have occurred had the landings been in process when the storm struck.

No reference has been made to the tremendous decisions which were made in connection with the atom bomb. No emphasis is needed to make apparent the awe-inspiring character of the decisions to start work on it, to continue the work on it, and to employ it. They are not discussed here because they have been fully dealt with by the man who as much as any man living had to do with those decisions.[2] Nor has the writer mentioned the implications of the Yalta Agreement or certain of the decisions taken in preparation for the Japanese surrender, including the provisions made for the eventual position of the Supreme Commander in Japan. These decisions, while well worth discussion, relate more to postwar political consequences than to their effect on the course of the war.

In summing up, the decisions which most importantly affected the United States' participation in the war seem to have been the early determination to prepare for a total effort, to direct the first energies to the defeat of Germany, and to get to the heart of Germany as quickly and directly as circumstances would permit. The course of the Pacific war was also set by these strategic choices. They were steadfastly adhered to in spite of many temptations and much pressure to turn away. After 1943 the important decisions were, except in rare instances, made in the theaters where the course of the battle was then flowing. There remained not much more for Washington to do but keep the pipelines of men and supplies full and to keep the authority to deal with the course of the battle decentralized, as it should and must be, to the theaters of operation.

Many will differ from the estimates which have been made above. They are based mainly on memories and impressions and certainly do not purport to be authoritative.

Possibly all that need be said by way of summary is that, however appraised, the decisions which have influenced the course of events of the last ten years seem to have brought the civilized world face to face with the problem of its own preservation.

[2] *Cf.* Henry L. Stimson, "The Decision to Use the Atomic Bomb," *Harper's*, February 1947.

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TURNING POINTS OF THE WAR

POLITICAL PROBLEMS OF A COALITION

By William L. Langer

DEFEAT in war invariably brings in its wake an avalanche of apologetic writing by the losers. The leaders of the vanquished nation are intent on exonerating themselves; men of action, military and political, who made history without much thought of how it would be written, suddenly become concerned about the opinions of posterity. A debate, for the most part quite unedifying, begins at once and is apt to continue far beyond the point where it is of interest to any but historians.

The victors, on the other hand, are less given to post mortems. Having been convinced from the outset of the justice of their cause and the rightness of their policy, they take success as a matter of course. The seamy side of the conflict is soon forgotten and the uncertainties, the long chances, the wretched blunders are conveniently glossed over if not ignored. Books and articles on this last war there are in plenty, but for the most part they are in the nature of thrilling narrative, panegyrical biography or personal reminiscence. And yet it is perhaps even more necessary for the victors to take counsel with themselves and essay an honest appraisal of the record. Victory is a heady draught, all too apt to breed overconfidence and self-delusion. History is punctuated by disasters which followed on the heels of success, springing from exaggerated notions of past achievement or extravagant conceptions of national prowess.

Since war is indeed but a continuation of policy by other means, it follows inexorably that once hostilities have broken out political decisions must be subordinated to the requirements of strategy. In such circumstances traditional policies may have to be abandoned, natural sympathies may have to be sacrificed. The problem is further complicated by the fact that most modern wars are fought by coalitions of states that are frequently, nay almost proverbially, strange bedfellows. One overriding interest — that of defeating a common enemy — may bring them together, but a dozen other interests may drive them apart. Diplomatic revolutions are the stuff of which the drama of

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history is made. They are the nightmare of statesmen, whose incessant task during a war is to obviate friction between allies and to reconcile as best may be the diverging aims of the associated Powers, at least until the victory is won.

So far as the United States is concerned, the recent world conflict divides naturally into the periods of our nonbelligerency and of our active participation. During the first phase the important decisions were of necessity political, while during the second they were preëminently military, though, of course, political considerations remained of moment all the way through and again became predominant as the war drew toward its close.

Under our constitutional system the executive power is concentrated in the President, who is much more the effective head of the government than in most other democratic states. In the field of foreign policy his authority is almost unrestricted. In the words of a Supreme Court decision: "in this vast external realm, with its important, complicated, delicate and manifold problems, the President alone has the power to speak or listen as a representative of the nation." He is, therefore, the very fountainhead of policy, limited in his decision only by his own judgment of what the Congress and the people will approve and support. At the same time, however, he is the commander-in-chief of the armed forces and therefore has the final word in all matters of strategy and operations. Through the union of civil and military authority in one man we are spared the all-too-common and sometimes disastrous conflict between politicians and soldiers, and we avoid serious divergence between policy and strategy. When wisely exercised, the presidential authority makes for singleness of purpose and unity of action. Thus far in our history the system has worked successfully. Whether by divine dispensation or by pure luck, in all major crises we have had presidents who were equal to the occasion.

II

Franklin D. Roosevelt's rôle as the maker and director of American foreign policy is likely to be a matter of violent dispute for a long time to come, perhaps even beyond the time when his papers are made available for scholarly study. During the last few years of his life, Harry Hopkins probably knew his mind pretty intimately, but in the first eight or nine years of his administration the President does not appear to have confided much

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in any one man. His relations with Mr. Hull were based on complete loyalty and tremendous mutual respect, but the two men were so different in temperament that there could be no real intimacy. The President, of course, conferred and discussed with other men too. He relied heavily on Mr. Sumner Welles and for some years was influenced by the views of Mr. Bullitt. But no one person got the whole picture, no one person was permitted the inwardness of the President's thoughts or the vision of his ultimate objectives. Under the circumstances it is hard to speak authoritatively and in some cases one can do little more than conjecture.

The President was unusually well equipped by education and experience to deal with international affairs, yet during the early years of his administration he appears to have been so engrossed by domestic issues as to have given little attention to foreign problems, either political or economic. He was apparently quite disillusioned about international organization and collective security and quite insensible to the importance of the crisis in international trade. His one compelling foreign interest in the early period was the development of the Good Neighbor Policy and the furtherance of hemispheric solidarity. This, to be sure, was a notable exception and was to prove itself one of the most successful of his policies. It need not be discussed in any detail here, though we may note that, viewed in the context of the early years of the Roosevelt Administration, even the Good Neighbor Policy was only an expression of a modified isolationism. The President, whose thoughts were centered on national reform and national welfare, expanded his conception to the whole hemisphere. Yet basically the idea was the same, reflecting a hope for self-sufficiency.

It was only during the second term, when crisis began to follow crisis both in Europe and the Far East, that the President's attention began to focus on the international scene and his basic foreign policies began to take form. The famous "quarantine" speech at Chicago in October 1937, though still shrouded in considerable mystery, at least revealed an acute sense of the world danger and a keen realization of the possible repercussions of the foreign situation on our own national interests. With a suddenness that shocked the country the President not only expounded his views but proceeded to outline a policy. The change was too abrupt and the proposal too vague and ominous

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for popular sentiment. The President drew back, and for more than a year did not again express himself so flatly and forcefully.

Nonetheless, it is beyond doubt that long before the outbreak of the war in Europe Mr. Roosevelt's ideas had taken definite form and had begun to crystallize into policy. He detested the dictatorships and all that they stood for and he regarded their aggressiveness as at least an ultimate threat to this hemisphere and this country. Although public opinion generally shared his aversion, it was for the most part skeptical about the implications of what was loosely called Fascism. There was a good deal of applause for the President's repeated and sometimes unmeasured castigation of Hitler and his ilk, yet there was almost universal opposition to any specific action by this Government, however mild. The President's advocacy of "methods short of war" received a cold reception and his urgent requests for repeal of the arms embargo were turned down despite his insistence that repeal would strengthen his influence for peace. For all its reprobation of Fascist aggression, the American public in 1939 was disgusted with the rest of the world and was determined not to jeopardize its domestic policies or its peace.

Through the American Foreign Service, the Washington Government was probably more fully and accurately informed about the world situation on the eve of the crisis than was any other government in the world. The President and his advisers were under no illusions about the ultimate objectives of Germany, Italy and Japan, nor did they have exaggerated notions about the ability of Britain and France to resist successfully. Envisaging, as they did, the possibility of a Nazi victory in Europe and an effective combination of the German and Japanese efforts, they appreciated to the full the ultimate danger to Latin America and the United States. Their policy, therefore, was to give all possible support to the democracies, within the limitations of the law and the bounds of public opinion. And so was born the first and most fundamental of American policies connected with the war — the identification of our long-term interests with those of Britain and France and the extension of all possible aid to those countries.

This policy was initiated in a very modest way by facilitating the purchase and manufacture of airplanes in this country. Yet when such aid was accidentally revealed in February 1939, it created such a furor in Congress and in the press that it probably deterred the President from too great insistence on repeal of the

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arms embargo. Only after the agreement between Hitler and Stalin, and Germany's conquest of Poland, was repeal of the embargo carried through Congress by handsome majorities. Although little public reference was made to the full significance of the repeal, it was well understood that the prime objective of the President was to make munitions and supplies available to the democracies. We may therefore conclude that Congress, in repealing the embargo, reflected a growing willingness on the part of the public to follow the President's lead.

It is common knowledge that during the first winter of war the Allies did not take full advantage of the chance to purchase American supplies. They were costly, and the need of them was not fully appreciated. The period of the "phony war" was brought to an abrupt end by the German invasion of Scandinavia, which sent shivers of apprehension through this country as well as through Britain and France. Then came the spectacular collapse of France. In a matter of weeks the prospects of victory had been completely reversed and Britain herself appeared to be on the verge of invasion and conquest. Along with many others, the President waited from day to day — one might say literally from hour to hour — for news that the German attack on the British Isles had begun. He realized more clearly than most Americans that if Britain went under, our bulwark in the Atlantic would be gone and that before long we might be faced with a war on two ocean fronts.

But even though Mr. Roosevelt expected the invasion of Britain, he stuck at all times to the hope that the British would be able to resist successfully. Faith in British determination enabled him to make the fateful decision to send abroad all available matériel without delay, though it should be added that American opinion was not slow in grasping the magnitude of the danger and in tacitly approving whatever action the President deemed necessary. The famous destroyers-for-bases deal, put over in the dark days of September 1940, evoked remarkably little criticism, partly no doubt because the whole transaction was a masterstroke, as important for our own security as it was for the maintenance of Britain's supply lines.

Looking back, we can now see clearly enough that the summer and early autumn of 1940 were the most critical phase of the whole war and that Hitler came nearer victory then than at any later period. That being so, it can be said with considerable assurance

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that the decision to give all possible support to Britain in her most dangerous hour was the most important and courageous decision made by the United States Government during the entire war period. Europe was in Hitler's hands, and when we decided to support Britain we knew that we might be putting our money on the wrong horse. But the consequences of Britain's defeat were so ominous that we had to take the chance. No matter how desperate the situation, it was still better for us to throw our weight into the struggle than to abandon the last outpost and await the Nazi advance on this side of the Atlantic. We took a chance on Britain, and we won.

The concluding chapter of the program of aiding the anti-Axis forces was written in the Lend-Lease Act of March 1941, which was precipitated by the inability of the British to continue to pay cash for munitions and supplies. As an operational device the Lend-Lease Act made possible for the first time the extension of unlimited aid not only to Britain but to any government engaged in fighting an aggressor. It was literally the key to victory, opening wide the doors to the American arsenal.

III

No positive decision comparable to these decisions in our European policy was ever taken with relation to the Far Eastern situation. If reckoned from the Japanese invasion of Manchuria, the crisis in Asia antedated the Roosevelt Administration as well as the beginning of aggression by Italy and Germany. In one sense our consistent support of Nationalist China against Japan was the prototype of our program of aid to France and Britain. But our policy in Asia, which promised in the first instance to be the touchstone of our entire attitude toward the growing world crisis, never came into clear focus. Originally, Secretary Stimson had proposed a bold move to check aggression and it is quite conceivable that if his proposal had been accepted not only Japan, but Italy and Germany might have been deterred by collective action. Actually, however, nothing was done to block the realization of the Japanese program, and when the rape of Manchuria was followed by the advance into North China in 1937, the tension in Europe was already so great that it was hardly more feasible for the United States Government to take a strong line than for the British to do so. The President and his advisers from that time on adopted an inconclusive position, reflected in the

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policy of nonrecognition and buttressed by a program of active though modest support for the Government of Chiang Kai-shek. We had, of course, much more effective weapons in our armory; and, in general, American opinion was more disposed to use them in the Far East than in Europe. But the President and Secretary Hull felt, no doubt correctly, that the United States could not afford to become seriously involved with Japan without thereby encouraging aggression in Europe. Our decision with regard to the Far East, then, was essentially a negative one. We muddled along, objecting and protesting and trying to deter Japan by shrouding our policy in uncertainty until the Japanese themselves cut the Gordian knot at Pearl Harbor.

It has often been argued that if we had proceeded firmly with a policy of economic sanctions for Japan, we might have discredited the Japanese militarists and strengthened the liberal, civilian elements with which some sort of acceptable compromise might have been worked out. But actually there is little if any evidence that the Japanese warlords could have been deterred in their plans, which they regarded as vital to the national interest. The chances are, rather, that a positive policy on our part would have provoked hostilities when we were unprepared for them, and when lack of American support might have meant defeat for Britain in Europe. Viewed in this light, the decision not to join issue in the Far East was perhaps as important as any positive decision we could have come to. The Japanese militarists were left to assume the odium of aggression, while the astonishingly prompt declaration of war by Hitler and Mussolini relieved the Government and the country of a decision which, though it was by that time recognized as inevitable, would nonetheless have been a hard one to arrive at. Had we had our choice, we should probably have elected to stay out of the war for another six months at least. But Pearl Harbor, bad as it was, would have been a greater naval disaster had it come a year or six months earlier; and there were inestimable political advantages to this country in having the ultimate decision to go to war in Asia and in Europe imposed upon it.

IV

Decisions which turn on questions of ideology, are, of course, "political," but they are much less amenable to dispassionate analysis and less susceptible of proof one way or the other than

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are specific diplomatic problems. We sometimes set them apart by calling them "moral problems." Their effects are usually vague and intangible, yet their importance is great. They were given full weight from the very beginning by so consummate a politician as President Roosevelt. Long before the outbreak of war in Europe the President had hoped to arouse world opinion against the aggressors and had directed his efforts toward building up sentiment against the dictators even in their own countries. Hitler's position was too strong to enable the President to make much headway in that direction, but he did succeed in unifying and galvanizing opinion in the democracies — in reinforcing the conviction that in the end free men would win. The fact that the Nazi leaders were always apprehensive of his influence is perhaps the best evidence of the importance of his leadership.

In keeping with his belief in the significance of the imponderables, the President began to concern himself from the beginning of the conflict with plans for a peace settlement that would end the era of international conflict. He was convinced that men fought best when they knew what they were fighting for, when they had some vision of a better world to follow the tribulations of war. He recognized that even in the aggressor countries there was an overpowering desire for security and greater economic opportunity. His mind turned rather to these larger issues than to specific questions like territorial disputes. When, in February 1940, Under Secretary Welles was sent on a special mission to Europe to canvass the possibilities of peace, he took with him a memorandum outlining such a program. At the same time the President dispatched a personal representative to the Vatican to enlist the support of the Pope in the cause of an equitable settlement of world problems. Unfortunately most of this activity was unavailing. Instead of ending in a negotiated peace, the war broke into its most violent phase.

No serious political issue was presented by conquered Poland, Denmark, Norway, Belgium or the Netherlands, all of which had set up governments-in-exile which we could and did recognize. But two-fifths of France remained unoccupied under its own government, a government which indeed had concluded an armistice with the Germans and was of necessity more or less under the domination of Hitler, but which nevertheless pretended to some authority in France and to effective control of the French Empire. The question, difficult in itself, was further complicated bv

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the fact that the Vichy Government, under Pétain, was decidedly authoritarian in character and made no secret of its hostility to the democratic system.

In this instance, as in later cases, the President refused to subordinate what he believed to be the national interest to purely ideological considerations. He and his advisers had considerable respect for Marshal Pétain, but no sympathy whatever for subordinates like Laval and Darlan. The United States Government, like the country, despised the Vichy system and detested the Vichy policy of collaboration with the Nazis, but the national interest seemed to be best served by maintaining contact with the French and using such influence as we had to prevent the full victory of the collaborationist elements. Of course this meant turning a cold shoulder to de Gaulle and the Free French Committee in London (though we recognized and assisted the Free French authorities in those parts of the empire where they exercised effective control), and it probably threw some shadows over our rôle as a leader of democracy against Fascism. The fact remains, however, that in cases like this one cannot have one's cake and eat it.[1]

This same problem of compromise with nondemocratic forces was to dog the American Government all through the war and beyond the term of hostilities. The main job throughout was to defeat the Nazi and Fascist dictators and the Japanese militarists. In order to do this we had to coöperate with those who held the same purpose. Britain was one of the few democratic régimes on either side of the conflict. No real objection was raised to our support of Chiang Kai-shek, though his régime could be described as a democratic one only by courtesy. But of course the greatest problem was offered by Soviet Russia, where the issue was not compromise with reaction but association with Communism.

The relations between the United States and Russia had not improved after the recognition of the Soviet Government in 1933. If anything, they had grown worse as a result of the failure of the U.S.S.R. to live up to its obligations. By 1940 they were about as bad as they could be and the distrust in government circles was exceeded only by the intense aversion to the U.S.S.R. of the American public. The Communist system, detested as a threat to the social order and a ruthless dictatorship, was at that time in even worse repute as the partner of Nazism.

[1] *cf.* William L. Langer, "Our Vichy Gamble." New York: Knopf, 1947.

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When Hitler launched his assault on the Soviet Union, the President and the country were confronted with the question whether to support the Communist régime in its struggle against the invader. The choice of Government and of the American people was in the affirmative: we would send all possible assistance. In actual fact the United States supplied about 10 percent of the Russian requirements in equipment and munitions, representing crucial items without which the Soviet resistance might have proved futile. Though the decision has certainly provoked much searching of soul in the months since victory was assured, it met with remarkably little criticism at the time. The reason seems to me to be a fairly simple one. At the time the situation of Britain was becoming ever more desperate. The primary question was how the war could be won; and about the only hope of victory seemed to lie in bleeding the Germans white on the plains of Russia. The alternative to aiding Russia was to accept Hitler's oft-renewed peace offers, on the basis of recognizing most of his conquests and giving him a free hand against the U.S.S.R., with the extreme likelihood that he would triumph. And that meant a real and terrible danger of Nazi world conquest. In an explanatory letter to the Pope, President Roosevelt expressed himself quite categorically:[2]

> In my opinion, the fact is that Russia is governed by a dictatorship, as rigid in its manner of being as is the dictatorship in Germany. I believe, however, that this Russian dictatorship is less dangerous to the safety of other nations than is the German form of dictatorship. The only weapon which the Russian dictatorship uses outside of its own borders is Communist propaganda which I, of course, recognize has in the past been utilized for the purpose of breaking down the form of government in other countries, religious belief, et cetera. Germany, however, not only has utilized, but is utilizing, this kind of propaganda as well and has also undertaken the employment of every form of military aggression outside of its borders for the purpose of world conquest by force of arms and by force of propaganda. I believe that the survival of Russia is less dangerous to religion, to the church as such, and to humanity in general than would be the survival of the German form of dictatorship.

In short, the President regarded the Communist dictatorship as the lesser of two evils. But beyond that, as we learn from Mr. Welles' recent book, he at once recognized that understanding and coöperation between Moscow and Washington was one of the indispensable foundations for American foreign policy, and was con-

[2] "Wartime Correspondence between President Roosevelt and Pope Pius XII." New York: Macmillan, 1947, p. 61–62.

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vinced that a firm agreement with the Soviet Government was essential for future peace. He saw no need to fear Communism if an international organization existed, and believed that if Russia could be given security through such an organization, the Communist régime would gradually accommodate itself to the general society of nations. While the Russian and the American systems would probably never meet, they would approximate to the point where there would no longer be a serious problem of living together.[3] The President shared an idea common at the time that the cult of world revolution was already receding in the minds of the Soviet leaders and that they were becoming more and more engrossed in purely national problems. And, after all, argued the President, Stalin and his associates could not live forever. It might well be that his successors might adopt a more agreeable line. To all these considerations should probably be added the fact that Russia's strength was underestimated and that there seemed to be reason to suppose that the Soviet régime, even if victorious, would be so seriously weakened as to be dependent on the Allied Powers and therefore well-disposed to any program of international organization and action.

To what extent this line of reasoning was sound can be determined only after the lapse of years. For the short run, however, it soon proved to be mistaken. During the first six months, when the Germans just barely failed to reach Moscow, the Soviets were coöperative in every way and did their best to play to the western gallery by demonstrations of religious concessions and so forth. But as soon as the tide began to turn, and particularly after the victory at Stalingrad, they began to change their tune. From that time on the British and Americans were in a perpetual quandary, and it would hardly be going too far to say that all the political decisions of the later period of the war hinged more or less directly on consideration of the Russian problem.

V

In August 1941, the President and Mr. Churchill met in the waters off Argentia, Newfoundland, for the famous conference which produced the Atlantic Charter, a document comparable to the Fourteen Points of President Wilson, but far less specific in its provisions and more general in its appeal. No doubt the primary purpose of the Charter was to afford a common program

[3] *cf.* Sumner Welles, "Where Are We Heading?" New York: Harper, 1946, p. 36, 37, 102, 377.

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for all anti-Axis forces and to mark out the lines of a peace settlement for which men everywhere would be willing to fight. But aside from its propaganda value in the democratic countries, we may, I think, assume that it was drafted with an eye to Russia. If the Soviet Government could be brought to subscribe to the provisions of the Charter against territorial aggrandizement and in favor of self-determination of peoples, in favor of equal access to raw materials and freedom of trade, and in favor of a permanent system of security and disarmament, clearly the Allied governments could look to the future with a greater measure of assurance. The Soviet leaders made no objection: along with the other anti-Axis Governments, they signed the Charter and joined the ranks of the United Nations.

But before long the Kremlin began to take a stronger line. There arose the insistent demand for a second front, in addition to the ever-growing requirements for supplies. For a long time a second front in Europe was militarily impossible and had to be evaded or refused. As a result, however, the Allied Governments were more and more haunted by the possibility that the Soviet Government might find it more advantageous to make a deal with Hitler, an idea which it was obviously in the Soviet interest to circulate. To me it seems that these fears were at all times groundless, for it is difficult to see how any Russian-German pact could have been more than a truce, or how Hitler could possibly have offered Stalin anything to compare to the gains he would make by an Allied victory over Germany. The war gave Russia the chance of centuries to dispose of a chronic menace, and as long as there was even a fair chance of success, the Soviets would have been stupid to accept anything less.

The fact of the matter seems to have been that the Soviet leaders were quite as suspicious of their Allies as we were of them. Whether sincerely or otherwise, they took the line that refusal to open a second front was an indication of unwillingness to crush the Nazi power or permit Communist Russia an unqualified victory. It was this mutual suspicion and constant recrimination more than anything else that lay behind the demand for unconditional surrender as formulated by the Casablanca Conference of January 1943 which, incidentally, Stalin refused to attend.

The primary objective of the President and Mr. Churchill at that conference was to reassure the Bolshevik leaders that there would be no compromise with Hitler and that the Allies would

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fight on to total victory. Whether or not the unconditional surrender formula had the desired effect in the Kremlin we cannot know, but in any event it was a fateful decision; for even if it served to keep the Russians in line, it undoubtedly made the struggle against Nazi Germany more difficult and more prolonged. Far from scaring the Germans into early surrender, it gave the Nazi propagandists their best argument for a last-ditch resistance. On balance it seems that the demand for unconditional surrender was an unfortunate and costly move, and that it was too high a price to pay for Stalin's peace of mind.

VI

The President, influenced no doubt by the widespread criticism of the Paris peacemakers of 1919, seems to have made up his mind at an early date that after the conclusion of hostilities there should be a "cooling-off period" before the negotiation of the final settlement. Like President Wilson before him, he appears to have thought that international organization should come first and that, through collective action, many problems could be disposed of in a spirit of coöperation. Closely related to these ideas was the decision, arrived at with Mr. Churchill, to subordinate everything to the winning of the war and to avoid all political and territorial issues that might provoke dissension among the anti-Axis forces. Sound though this approach might have been, it necessarily presupposed that all parties would postpone final territorial settlements. Actually, the Soviet Government never showed the slightest intention of doing so, and serious difficulties arose almost at once. Hardly had the German armies been stopped before Moscow than Stalin began to press General Sikorski for a discussion of the eastern frontier of Poland. It was no secret that the Soviets, while fighting on the side of the western Powers, were fully determined to retain all that they had acquired through their partnership with Hitler. Sikorski, and after him Mickolajczyk, firmly refused to sacrifice eastern Poland, insisting that they had no constitutional power to barter with the national heritage. At first both the British and American Governments encouraged their stand, though neither Washington nor London was prepared to make an issue of the matter. But by 1943 the British had already weakened considerably, and by 1944 even the President appears to have reconciled himself to Poland's loss of her eastern territories in return for acquisitions at Germany's expense.

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By the beginning of 1945 the Soviet armies were already engulfing the Balkan area. Militarily the Allies could do nothing to influence Soviet policy toward countries like Poland, Rumania, Bulgaria, Jugoslavia, Hungary and even Austria. The remaining possibility was to temper the impending storm by discussion and agreement. The Yalta Conference represented the last, almost desperate effort of the President and Mr. Churchill to hold Stalin to the principles of the Atlantic Charter and to save eastern Europe from Bolshevik domination.

The Yalta Conference, like the preceding meeting at Teheran, concerned itself largely with military matters, in this case with the planning for the final assault on Germany. In reality, of course, the outcome of the war was already assured. The defeat of Germany was merely a matter of time and cost. Neither the western Powers nor the Soviets any longer needed each other to clinch the victory. But the President and his advisers, civilian as well as military, still felt that they needed Russian aid to wind up the Far Eastern conflict. It may be, as General Deane says, that no one seriously doubted that the Soviets would eventually enter the war against Japan, for Russian interests in the Far East were too extensive and important to permit of Moscow's exclusion from the final settlement. But it was obviously in Russia's interest to postpone action in the Far East till the latest possible moment, which would mean that the United States forces would bear the entire burden of Japan's defeat. For many months efforts had been made to get Stalin to commit himself, but the timing of Russian intervention was still not fully decided when the Yalta conferees assembled.

Rightly or wrongly the President was prepared to pay a substantial price for a definite agreement by Stalin to participate in the Far Eastern war. The great fear of the Americans at the time was that the Japanese, even after their home islands had been conquered, might attempt to continue the struggle with the large armies they still had in Manchuria and China. Although it seems unlikely that the Japanese could have continued effective operations on the Asiatic mainland, the only guarantee against such an eventuality was active intervention by the Soviet Far Eastern armies. In short, the President felt that the United States still needed Russian support and thereby was put at a disadvantage in discussion with Stalin. He felt obliged to pay a price for Russian intervention, only to discover later that the Soviet contribution

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in the Far East was little more than a victory parade. Our own atomic bomb served our purposes a hundred times better than did the Soviet armies.

The price paid for this concession in the military sphere was the recognition of Russia's unilateral settlement of the Polish frontier problem, attenuated only by Soviet acceptance of the vague and ill-defined principle that representative, democratic governments should be established in Poland and other liberated countries. And that was not all. With respect to the all-important German settlement, the President agreed to the compensation of Poland by the cession of German territory, accepted the Russian program for reparations in a general way, and consented to the zonal occupation of Germany along lines exceedingly favorable to the Russians. As everyone knows, these arrangements touching Germany were the prelude to the current struggle for power in Europe. It would be interesting and instructive to follow them in all their ramifications, but that would lead us beyond the scope of this essay. Before leaving the decisions of the Yalta Conference, however, something must be said of the agreements bearing on the plans for world organization.

These plans, proclaimed in the Atlantic Charter, were dear to the heart of the President and enjoyed almost universal support in the United States, where there was general agreement that our failure to join the League of Nations was a fatal blunder. Secretary Hull, through his arduous journey to the Moscow Conference in October 1943, had succeeded in aligning the Soviet Government with the scheme, and the Dumbarton Oaks Conference of August–October 1944 had produced a preliminary draft for the future United Nations organization. But the Russians had at that time insisted on an all-inclusive veto power for each of the five Great Powers sitting on the Council and this question had to be left for decision at the highest level. At Yalta the President induced Stalin to retreat somewhat from his initial position, but the real victory remained with the Soviet leader, for the veto power was retained for all but the less important areas of Council procedure. At the San Francisco Conference the Russians refused to be moved from this position, despite all influence that could be brought to bear and despite the vigorous objections of the minor Powers. The history of the United Nations organization since its inauguration is still so fresh that no detailed consideration of this decision of the Yalta Conference is required.

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At the time of the Yalta meeting the President was already a very sick man. It is more than likely that his failing health had much to do with his decisions on that occasion. But with that aspect we need not concern ourselves here. The long and the short of it is that the consequences of Yalta were unfortunate on almost every count and that the conference represented a rather sad closing chapter to a war which, on the whole, was wisely directed and gallantly fought.

One is drawn to the conclusion that the brilliant phase of American policy was the initial one, which was followed by a middle phase of expediency and compromise, and a closing phase during which we tried in vain to adjust to the Russian problem. Though this problem has emerged as the key issue of international relations, it is too cheap and easy now to say that the President and the country were misled in the decision which threw in our lot with the Soviets in the summer of 1941. We can see clearly now that it was a mistake to believe that the Bolsheviks had given up the idea of world revolution. Maybe they persist in the revolutionary struggle as a matter of faith and principle. More likely they regard it as the most effective instrument for eliminating their rivals and possible enemies, for the creation of a world fashioned in the Russian image, a world which the Soviet Union can dominate and in which it can therefore feel safe. Be this as it may, Europe and the world have been freed of the Nazi menace only to be confronted with the specter of Communist control.

The prospect of such an eventuality confronted the British and American Governments six years ago. They elected to support the Soviets because the Nazi danger was immediate and frightful, and it was truly perceived also that past treatment of the Soviet régime was at least partially responsible for the isolation and distrust so characteristic of Moscow. It was reasonable to suppose that after a great common effort the Soviets could be drawn into permanent association with other Powers, that mutual confidence and a feeling of security could be developed. After all, the Russian Government and people had a great internal problem of social betterment. They had a vast territory and immeasurable resources. They had no need to expand at the expense of neighbors and they had no ideas of racial superiority to drive them on. Looked at in these terms the crucial decision of 1941 still seems sound.

The really debatable part of our wartime conduct of foreign relations does not hinge on the original decision to aid Russia, but

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on the subsequent development of policy toward the Soviet Government. It is impossible to focus this criticism on any one problem or single decision. It was a gradual cumulation of questions, characterized perhaps by two chief errors. First, the President unquestionably overestimated his ability to influence Stalin (though here the "might-have-been" result is forever shrouded in uncertainty by his death), and put excessive hope on the possibility of solving the Russian issue through international organization. Second, both Mr. Roosevelt and Mr. Churchill exaggerated the danger that Russia might quit and make a new deal with Hitler. I find it impossible to believe that at any time, as long as there was even a fair chance of victory, it could have been in Stalin's interest to reverse himself. Actually the Soviets were fully as dependent on Allied aid, direct and indirect, as we were on theirs. The idea that during 1942 and 1943 they were carrying the major share of the burden was essentially a mistaken one. Under the circumstances there was no real need for "appeasing" Russia, and certainly no real excuse for acquiescing in Stalin's unilateral action in cases like that of Poland. The idea of sidestepping territorial and other difficult issues may perhaps have been initially sound, but it should not have been adhered to after it had become clear that the Kremlin was exerting its full power to get the settlements it wanted. The United States Government should then have taken a much stronger line. In the case of a showdown, we could have planned much earlier and in a much more constructive way for our own security in western and central Europe.

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OUR ECONOMIC CONTRIBUTION TO VICTORY

By Winfield W. Riefler

WORLD WAR II was initiated by Powers whose aggregate economic potential for war was decisively inferior to that of their ultimate adversaries. There were periods when the plans of the aggressors gave promise of realization, particularly in the west. Yet everywhere those hopes proved illusory. The war dragged on until the economic potential of the victims of attack had been converted into a volume of war material sufficient to place a clear preponderance at the disposal of their commanders in the field. In both east and west the fighting ended in unmitigated disaster for the aggressors. In both theaters of war the economic base which had maintained the armies of the Axis Powers was destroyed before those armies surrendered.

Plans which came so close to success cannot be dismissed as irrational even though they culminated in disaster. They possessed a logic and rationale of their own. In an objective weighing of relative risks and probabilities, they were probably less irrational — or at least no more so — than certain crucial Allied decisions that are now revealed as turning points in the advance to final victory: for example, the British decision to go on with the war after Dunkirk.

The fact of disparity in economic potential, however, was all pervasive. It conditioned the plans of the aggressors for short, limited, blitzkrieg victories that would leave no opportunity for the massing of power against them, or indeed for the conversion of industrial potential into munitions of war. It conditioned the size of the armed forces that were mobilized and maintained in the field, and the rôle that was assigned to various types of weapons. It conditioned the strategy of offensive and defensive operations. Above all, it imposed indeterminate but nevertheless inexorable time limits on the planning of the aggressors. Starting with more matériel on hand, but grossly inferior in economic potential, the Axis had to make speed in the achievement of victory a consideration of primary importance.

A good general does not ordinarily begin an engagement unless

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he possesses a clear preponderance of effectives, including superiority in weapons and other munitions of war. That this factor is basic in successful military operations was abundantly demonstrated in World War II, where nearly all the great offensives were deferred until the side in possession of the initiative was satisfied that it enjoyed a clear preponderance of matériel. In the early period of the war, this preponderance lay on the side of the Axis. At the close it lay with the Allies, particularly the western Allies, who had unrestricted access to the huge output of the American industrial complex. An analysis of this preponderance by Raymond W. Goldsmith shows that Russia enjoyed ultimately a munitions superiority over Germany in the ratio of about six to five, while that of the Allies in the campaign in the west was in the neighborhood of two-and-a-half to one.[1]

The Nazis did not plan to engage the mobilized military and economic power of the United States, Great Britain and Russia at the same time. They planned a series of short campaigns against isolated opponents. In 1939, buttressed by the Hitler-Stalin Pact, they were confident of their ability not only to take Poland, but also to master the forces of Great Britain and France, should those countries endeavor to maintain their pledge to Poland. That this confidence was justified was proved less than a year later, when in three months, Denmark, Norway, the Netherlands and Belgium were occupied, the military power of France was annihilated, and Great Britain lay almost defenseless, a large part of her matériel lost and her forces able to provide only a modicum of defense to her far-flung Empire.

This was the type of war for which German economic potential had been mobilized. In its terms, that mobilization was more than adequate. At the end of the first year of war, Germany dominated all Europe; Britain alone fought back. Not only were German losses in manpower and matériel negligible; they were more than compensated for by new munitions production and new recruits come of age during the year. In addition, Germany had gained huge booty in the form of war stores of her victims and their stocks of raw materials. She had acquired access to the raw-material resources of the whole of Europe and mastery of the rich industrial capacity of France, the Netherlands, Luxembourg and Belgium, much of which formed an integral part of her own great industrial complex centering in the Ruhr and the Rhineland.

[1] "The Power of Victory," by Raymond W. Goldsmith, *Military Affairs*, Spring 1946.

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So great were the gains and so impregnable the position that Hitler felt free at last to embark on his cherished dream, the defeat of Russia and the acquisition of the resources of the Ukraine.

The Japanese plan was even more opportunistic. It too was based upon a preponderance of forces and munitions on hand, and the conviction that these were sufficient to seize the rich raw-material resources of the Philippines, Burma, Malaya, Indonesia and the adjoining islands of the east. For this they were in fact sufficient. Japan, too, gained her self-sufficient empire, with negligible losses or expenditure of matériel. She had, however, no illusions about matching or mastering the potential power of the United States. The premise of her plan was that both Russia and Great Britain were doomed to imminent defeat, and that in the resulting two-Power world the United States would negotiate with Japan rather than face Germany with heavy commitments in the Pacific.

Just as a good general does not ordinarily embark on an offensive unless he believes he possesses a clear preponderance of effectives, no nation under rational leadership undertakes aggression unless it expects to win the victory. The fact that the Nazis did embark on an aggressive war, despite their marked inferiority in economic potential to the Powers which eventually opposed them, indicates that they counted on victory before the United States could enter the war, or before it could mobilize its enormous economic resources. The leaders of Japan agreed with the Nazi estimate of the situation.

It is well to remember these simple elements in the problem when we come to evaluate the postwar discovery that Germany, unlike the Allies, mobilized her economy in breadth rather than depth — *i.e.*, that she utilized her resources to expand munitions output from her existing industrial capacity but did not generally divert great quantities of those resources to the creation of further basic capacity from which a larger output of munitions could have been obtained. It is a proper source of gratification and of faith in our democratic society that we have demonstrated that, under pressure, we could meet the tremendous challenge imposed by total war and organize our economic capacity more effectively than did the Nazis. Let us not forget, however, that, from the point of view of the group of Nazis who decided in 1939 to initiate a war against possible adversaries possessing infinitely greater

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economic potential, the decisive considerations were the amounts of munitions that would be available in 1939, 1940 and 1941, not those that could be achieved by 1944 and 1945. It is probably true that Russia possessed in 1941 a much greater reserve in matériel than the Nazis had anticipated, but the failure of the Nazis to take Moscow before the winter of 1941 does not appear to have been due particularly to an insufficiency of munitions available to the German Army as a whole. That failure, however, initiated the long series of defeats which ended finally when the German Army was utterly crushed by the strength of the Allies. Had the Nazis correctly assessed this eventuality, the appropriate reaction would not have been to arm in depth, but rather to seek an immediate accommodation with their enemies.

It is also well to remember these enormous differences in economic potential when we review the stupendous superiority of the Allies in munitions by the end of the war. We have a right to be proud of the magnitude of American war production. Our prewar economic efficiency in production, demonstrated again in the war, corroborates our faith in the potentialities of a society that stresses initiative in the individual. We must never forget, however, that a marked Allied superiority in munitions output was wholly to be expected in a war that lasted from 1939 to 1944 or 1945. The crucial events that permitted the expectation to be fulfilled were not economic. They took place in 1940 on the beaches of Dunkirk and in the skies over London; in 1941 in the mountains of Jugoslavia and Macedonia, and on the sands of Libya; in 1942 on the seas at Midway and in the trenches around Stalingrad; and throughout the war in the submarine-infested waters of the Atlantic. These were outstanding among the delaying actions that provided the time element so essential for the conversion of our superior economic potential into overwhelmingly effective military resources. These actions, furthermore, were not generally characterized by a preponderance of mobilized effectives on the Allied side.

II

The differences in industrial capacity among the five Powers which were the major belligerents at the end of the war, and their relative success in converting this capacity to the production of finished munitions of war, are summarized by Raymond W. Goldsmith in his article already cited. At the opening of the war.

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the combined industrial manpower of Germany and Japan, and of Great Britain and Russia, were about evenly balanced. The average efficiency of production of the two groups, as indicated by output per man-hour, was about the same also. Consequently, the industrial capacity of the United States can be taken, in a broad sense, as a measure of the margin of potential economic superiority that lay on the side of the Allies. The margin was very great. It consisted of an industrial labor force nearly as large as either that of Germany and Japan combined, or that of Great Britain and Russia combined. Because of its huge capital equipment, furthermore, and its advanced industrial techniques, the average output per man-hour of this industrial labor force was nearly three times that of either of the other pairs of countries.

On the basis of these factors alone, it might have been expected that the aggregate munitions output at full industrial mobilization of Germany and Japan, and of Great Britain and the U.S.S.R., would be approximately the same. On the basis of the availability of trained industrial manpower, of capital equipment and of management techniques, the industrial potential of the United States might have been expected to supply an aggregate of munitions somewhat larger than that of Germany, Russia, Great Britain and Japan combined. An even larger munitions potential might have been expected from the American economy if account were taken of the ability of industrial countries with very high efficiency to divert a greater proportion of their output to munitions than can countries with less advanced industrial techniques.

These theoretical expectations, of course, assume that raw material supplies in the correct proportions were equally available for all five of the major belligerents, that all five were fully converted to maximum munitions production before the end of the war, that no one of them was obstructed by serious interdiction of its industrial plant, and that all five were faced with comparable diversions of manpower to the military services. They also ignore the contribution of the occupied countries of the west — France, Holland, Belgium and Italy — to the German production. In the face of these manifold complications, it is amazing how accurately the prewar statistics on industrial manpower and output per man-hour did in fact forecast the volume of munitions output achieved by the five major belligerents in the peak year 1944. According to Goldsmith's estimates the aggregate

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munitions output of Great Britain and the U.S.S.R., and of Germany and Japan, were in fact approximately in balance, while that of the United States was nearly equal to the total munitions output of the other four Powers combined. Huge as was the total 1944 munitions output of the United States, it was still considerably less than could have been extracted from the American industrial economy.

For a military-industrial complex to function it must possess not only an appropriate assortment of factories, industrial manpower and technical skills; in addition, it must have access to the foodstuffs necessary to sustain its civilian population and its armed forces, and to the various raw materials required for a minimum level of civilian consumption and a maximum output of munitions of war. In 1939, Great Britain, the United States and Russia possessed these essentials. Germany and Japan did not. The early war moves of both Germany and Japan, consequently, had major economic as well as strategic consequences. The most important economic decisions of the Axis Powers were those that put Germany in effective control of the resources of Europe and those that gave Japan access to the raw materials of the Far East.

By mid-1942 both of these moves were completed. The world was divided into four relatively self-sufficient military-industrial complexes each possessing foodstuffs and raw materials, or assured of access to them, in the quantity necessary to maintain at least a minimum level of civilian existence and to supply its armies. Subsequently there was relatively little movement of goods between any of these regions, that little consisting mostly of a limited but highly important stream of Lend-Lease supplies from the American-British industrial complex to Russia (Goldsmith estimates the total at not more than 10 percent of Russia's internal munitions production), a similar but very limited stream of Lend-Lease to China, a minimum supply of licensed imports to the European neutrals within the blockade, and an occasionally successful running of the blockade between Germany and Japan.

No other economic decisions of the Axis Powers compare in importance to those which resulted in the acquisition at negligible cost of access to adequate and relatively balanced resources behind strategically acceptable frontiers. With these resources in hand, success for the aggressors was possible, provided that the victory could be consolidated before the great American military

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and economic potential could be converted into military forces, effectively provisioned at the front. This victory had to be won in Europe, since the Japanese venture was hopeless should Germany undergo defeat, and it depended almost wholly upon military and political actions rather than economic developments.

With the full aid of hindsight, it is possible now to show how the war might have been prolonged, and the casualties of the Allies greatly increased, had Germany developed earlier the full munitions output, particularly in planes and tanks, that she succeeded in producing in 1944. It is difficult to see, however, how such increased production would have been decisive, or how it would have changed the final outcome of the war. To have achieved such a result, these added munitions, it would seem, would have had to be decisive not later than the thrust to Stalingrad. At Stalingrad, however, as at Moscow one year earlier, the German defeat does not appear to have resulted from an insufficient volume of munitions. After the winter of 1942, Germany was everywhere on the defensive. More abundant matériel might have slowed the retreat and lengthened the war. In view of the development of the atomic bomb by the Allies, it is difficult to see how it could have changed the outcome.

The main possible exception to this generalization lies in the field of warfare directed toward the destruction of the British economy. For nearly four years the U-boat campaign was distressingly effective. It did not succeed in starving Britain into submission. It did not even achieve a serious impairment of the aggregate British war production. It did, however, divert an enormous volume of British and later of American resources into shipbuilding and into anti-submarine operations. The proportion of German resources allocated to U-boat construction and to submarine operations was not excessive. That proportion could probably have been considerably increased without too serious drain upon available resources. In view of the effectiveness of the submarines that were actually in operation, it is possible that an early decision to multiply their number would have had decisive effects.

The same sort of case, but on a more theoretical basis, might be made with respect to bombing, *i.e.*, that by a greater concentration of resources on strategic bombing, the Nazis might have achieved a success in the destruction of British industry comparable to that ultimately achieved by the Allies in bombing the

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industries of Germany and of Japan. This hypothesis is of much more doubtful validity. The techniques of successful strategic bombing were not generally available early in the war. The Luftwaffe failed in its endeavor to develop them when it undertook the bombing of London. It remained for the American air forces to develop them in 1944 and 1945. Even if the Germans had been able to work them out somewhat earlier in the war, it is doubtful whether the Nazis could have spared the resources necessary to exploit them successfully over an area as well equipped with fighter defenses as southern Britain.

III

It is more difficult to isolate the economic decisions that were crucial to the Allied victory. The mere fact that the Allies emerged as the victors and that one of the distinctive features of the victory was a preponderance of matériel gives importance to all the decisions that contributed to that final superiority, including those which, taken singly, did not indicate an accurate appraisal of the decisive elements of the situation. For example, the American decision in late 1939 to relax the Neutrality Act ranks high among the early actions that educated American industry to the problems of war production. To it must be credited the fact that our munitions output reached a level adequate to our requirements in the autumn of 1943 rather than some months later. Considered by itself, however, in the light of the forces that were loose in late 1939, it was entirely inadequate to the situation that faced this country. Likewise the decision to inaugurate Lend-Lease, taken in the spring of 1941, must rank on any count among the two or three most far-reaching decisions that have determined the history of our time. To the extent, however, that it was taken in the conviction, or even the hope, that disaster would be averted without full participation by the United States, it was entirely unrealistic.

Among the more important economic actions of our Allies, Russia's decision to accumulate matériel and to build a strong, deep war industry was clearly one of the most telling. It must have been taken long before the outbreak of hostilities. According to Goldsmith, the volume of combat munitions produced in Russia in the five years prior to the outbreak of the war in 1939 was exceeded only by that of Germany. It appears to have been roughly equivalent to the entire munitions output of this country

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from 1935 to Pearl Harbor. It was these accumulated stocks of munitions, plus the new industrial facilities that were under development in the Urals, that permitted the Russian Army to survive despite devastating defeats and the loss of important industrial territories in the summer of 1941.

There seems to have been no single British economic decision of comparable importance. What is found, rather, is a complex of decisions, no one of which was completely vital, that taken as a group was nevertheless decisive. The British pioneered in the development and application of administrative techniques for a total-war economy that made more effective use of available resources, skills and technological capacity than did those of any other Power. This in itself was a most remarkable achievement, in view of the handicaps imposed by German bombing and by U-boat operations. In developing their war economy, the British made at least two fundamental decisions that were questionable at the time, though subsequently justified by events.

One was the low priority given to dispersion. To minimize the drain on resources that would necessarily attend relocation, the British chose to make full use of existing housing and industrial capacity as it was then placed. This decision was dictated by Britain's late start and proved to be wise. Had British air defense been less effective, however, or had the Nazis been able to develop earlier an air offensive comparable to that mounted by both the British and the Americans, the outcome would not have been so fortunate.

The other was the assumption that Great Britain would continue to have access to the high seas and thus to the other members of the Commonwealth, to all her Empire, and to the nations (except those under actual enemy domination) that were accessible on the high seas. Fully as important, Great Britain assumed that she would enjoy the friendly coöperation of these governments. There was little trace of the concept of self-sufficiency, either in terms of the British Isles or of the Empire, in the planning of the British war economy. It was assumed throughout that supplies and industrial capacity would be available from overseas and that neither submarine operations, nor unfriendly or indifferent governments, would seriously impair their flow.

This decision also rested on the hard facts of the situation. Britain is a small island, completely dependent for survival on

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access to outside resources. No other decision would have permitted adequate conversion of her industrial potential to the output of munitions. The same decision for the same basic reasons was made in World War I. At that time, however, much less risk was involved. The British world position was still at its peak, financially, strategically, diplomatically. In 1938 and 1939, however, British industry and finance, though still important, no longer served as the undisputed fulcrum of the world's economy, nor were they any longer backed by naval and military power of incomparable magnitude. This decision, consciously taken, had major consequences in at least four important areas. First, it enabled Britain to develop her internal war production with a minimum of diversion of scarce managerial and technical talent, or of skilled labor, to unfamiliar lines of work. When particular items were more readily available abroad, she planned to purchase them. This freed her for intensive concentration on production of war material to which British industry was more readily adaptable.

Second, the ability of Great Britain to purchase munitions and supplies was not limited to her own holdings of gold and foreign assets. Through the organization of the sterling pool, the surplus dollar acquisitions of a much wider area were made available to the British war effort. By persuading countries to accept blocked sterling, huge acquisitions of supplies and services were made with no immediate drain on British resources, either in the form of exports or of foreign currencies.

Third, through the skillful use of an interlocking network of controls, based on legal and economic sanctions, and supplemented by a series of negotiated agreements, an effective blockade was developed over the whole of German-occupied Europe. This blockade, which became a joint American and British venture after Pearl Harbor, enjoyed neutral acquiescence. Its enforcement required on the whole only negligible allocations of naval forces, though these were required in fair volume at one time to interdict blockade runners between Germany and Japan. Through the blacklist and the control of shipping and of supplies from outside the blockade, the European neutrals themselves were induced, not only to turn over supplies that were highly important to the Allied war effort, but also to permit preclusive buying operations in their markets against the Germans. Furthermore, they were persuaded to curtail or eliminate German access

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to their own raw materials and finished goods of importance in the Nazi war economy.

Fourth, through outright purchases or through other agreements to similar effect, working control was early secured over the bulk of the outside world's shipping and raw-material production. The ability to transport essential supplies despite the submarines, and the continued availability throughout the war of the huge volume of foreign supplies required by the growing demands of American and British war production, were due in no small part to these early arrangements.

IV

It is not difficult to select the American economic decision that played the determining part in the outcome of the war. Clearly, it was the decision to go "all out" for war production after Pearl Harbor. That we were going to have to go "all out" was plain to many in the Government in the period before Pearl Harbor, and certain of the decisions taken then, and the plans drawn up for expansion in aviation and other lines, made the all-out effort successful when the time came. It was not until December 7, 1941, however, that American public opinion realized that there could be no limited aims, in the economic or any other field. That conscious decision was a great turning point of the war. Up to that point the conversion of American industrial capacity to the output of munitions had been strenuous, partly in response to our own needs for armament and partly in response to Allied requirements as expressed in orders placed directly in the United States and in supplies provided through Lend-Lease. There was disagreement within the United States, however, with respect to the scope of the effort that would be required. There was strong support for the thesis that our incomparable agricultural and industrial capacity made it possible, under the incentives of high profits and wages, to produce enough of both "guns and butter" to meet the requirements of the situation. Pearl Harbor shocked the nation into a realization of the size and speed of the needs of an all-out war, of the overriding necessity of what was in effect central control of production, consumption, scarce raw materials and scarce skills. From December 1941 on, there was no further disagreement. Though there was some grumbling about rationing of civilian goods, there was no longer any serious pretense that such action could be

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avoided, nor was there, for example, any debate over the extent of the demands that would be made on the pool of American industrial talent that was concentrated in and around the automobile industry.

By that decision to go all out the whole of American industry with its skilled and adaptable labor force, its enormous capital equipment, its technology and its managerial "know-how" was made available for the production of the sinews of war. This industrial power, added to the war production of Russia, Great Britain and the Commonwealth, provided an industrial potential in excess of the needs of the services, huge as these were. It meant that the United States Congress would make funds available without stint to permit the application of mass-production techniques to the whole range of munitions output. It meant that the commanders at the far-flung fronts would be supplied not only with an adequate volume of standard munitions, but with the highly specialized equipment needed for amphibious operations. It meant that the chiefs-of-staff could plan offensive operations on a scale that would assure success.

The greatest integration of industrial effort the world has ever known resulted from the American resolution to put its industrial strength wholly into the war effort. It was possible to construct a single organization, integrated through the Combined Boards, that could allocate the major part of the raw materials, the labor, the industrial and agricultural capacity, and the transport, not only of the United States, Great Britain and the Dominions, but also of Latin America, India and of the African colonies. Long before the end of the war estimates covering the military requirements of the western Allies, plus the subsistence requirements of their peoples, plus the Lend-Lease requirements of Russia, China and others, plus the commercial requirements of Latin America and other regions outside the war zones, were matched against the resources available. With these estimates in hand it was possible to make allocations of raw materials, of munitions contracts, and of transport on the basis of maximum contribution to the war effort consistent with minimum subsistence needs. With financial considerations rendered less important, because of the existence of Lend-Lease and of Mutual Aid, it was possible to disregard national financial deficiencies in the award of contracts. Munitions or supplies needed by any country could be produced in the locality best adapted to their supply.

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Finally, on this decision rested the ability of the services to plan and to execute a successful attack upon the industrial resources of the enemy. Once Germany and Japan had consolidated themselves within the area covered by their early conquests, blockade alone — though useful — could not deprive them of the ability to fight. The only way in which their economic bases could be destroyed was by air bombardment in the case of Germany, and by air bombardment and submarine operations combined in the case of Japan. This war demonstrated that these techniques can be effective: the economy of an enemy can be destroyed. In both east and west at the time of surrender, the enemy had lost the ability to munition his armed forces. The war demonstrated also, however, that in the absence of a weapon such as the atomic bomb, the destruction or serious impairment of a large industrial economy makes enormous demands on the resources of the attackers. The utilization of a large segment of American industrial production was necessary to organize the air forces which destroyed the German and Japanese industrial power.

V

One more comment may be made on the crucial factor of time. What were the inexorable time limits imposed upon the German General Staff by the disparities in economic potential? Were German diplomacy to fail, and were the German Army called upon to face the United States, Britain and Russia simultaneously, what were the deadlines for the elimination of Russia or Great Britain or both before the dormant strength of the United States was aroused and harnessed? The reading of the German mind, in that respect, will always be one of the most interesting questions of the Second World War.

We know from the record that it was not until the autumn of 1943 that American war production reached its peak. We know that a further period would have been required before munitions output in the United States would have reached the peak of which our economy was capable. We know also that between the autumn of 1939, and Pearl Harbor in December 1941, conversion to full war output was less rapid than it might have been because of the reluctance of the United States to face the necessity of all-out war. We know further, however, that after the fall of France, in June 1940, enormous emphasis was laid on the most rapid pos-

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sible development of air forces, and that nevertheless it was almost 1944 before we were in a position to undertake sustained strategic bombing in effective volume. The time required for full conversion of the industrial potential of the United States, therefore, under the economic and administrative conditions that prevailed, lay somewhere between a minimum of three years and the six years that were actually taken.

Could it have been less under a different organization of the war effort? The record of the actual administration of the war economy has been preserved by the Bureau of the Budget in "The United States at War." It tells a story of devoted men driving through a program of war production. It also tells a story of utterly new administrative problems for which there were no guiding precedents. It tells of the struggle to define the problems that waited decision, to devise effective administrative organizations to make the decisions and, above all, of the difficult task of coördination of these agencies so that their separate decisions could reinforce each other. It portrays a record that merits study, for it is probable that a further shortening of time absorbed in economic mobilization would have required a different method of organization at the top level of administration.

Yet at the best, such actions could not have greatly changed the lower of the margins estimated above. It is difficult to conceive of a situation in which the American economy, starting with as little experience in actual war production as prevailed in September 1939, and lacking prototypes of many of the weapons to be produced, could have been converted to full war output in much under three years. It is difficult to believe that military forces of impressive strength could have been equipped in less than two years. At the worst, from the point of view of the Nazis, therefore, Germany had to consolidate her victory in Europe before 1942. At best, from the German point of view, *i.e.*, in the event the United States did not enter the war, or having entered, ran into serious difficulties in mobilization, they had somewhat longer. These dates do not differ greatly from the timetable of the major German offensives. They may help to explain why Hitler indulged in what seems the most irrational gesture of the war — the voluntary declaration of war upon the United States after Pearl Harbor. He thought he was secure.

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INDIA: TWO HUNDRED YEARS

By the Earl of Halifax

WHAT is now happening in India has rightly held the attention of the civilized world. Here is a country containing a fifth of the inhabitants of the entire globe and occupying a highly strategic position, which — suddenly, as it must seem to a world preoccupied with grave questions of national and international politics — emerges from a position of political subordination to the status of a fully autonomous member of the family of nations. Quite apart from the powerful repercussions which such a development is bound to produce upon the equilibrium of human society, the dramatic quality of the events which have accompanied the last stages of India's transition from tutelage to self-government is such as to arrest the imagination of all spectators. That must be the justification for such a review as is attempted here.

The roots of the Indian problem lie deep in history, and recent events are the outcome of a long chain of contributory causes. For the decision of the British Government to relinquish its control over the Government of India is no arbitrary decision reached in haste, and most emphatically it is not the outcome of weakness or the abandonment of any of the ideals through which the British Commonwealth of Nations has grown, and for which it stands today. On the contrary, this decision of His Majesty's Government is the natural fruit of a century and a half of political, social and economic development in India, and, so far from being alien to the present spirit and purpose of the British Commonwealth, it may in fact prove to be the most striking realization of them which has so far been achieved. The world wars have but speeded up a process which has been under way for many decades.

II

Let us first see what it was that His Majesty's Government decided. Briefly it was that after a fixed date in the near future, India should be completely free to work out her own destiny under a constitution of her own choosing; and that by August 15, 1947, India, whether still united or partitioned, should enjoy the same status as other self-governing members of the British Com-

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monwealth. To this end His Majesty's Government declared that if the predominantly Moslem areas so desired, India should be partitioned to form two new states, one predominantly Moslem, the other predominantly Hindu.

The areas in question are Bengal and a part of the neighboring territory of Assam in the northeast of India, and, in the northwest, the Punjab, the Province of Sind, the North-West Frontier Province and British Baluchistan. In regard to Sind, no troublesome questions arise because its population is overwhelmingly Moslem and all but a small minority of these wish to be included in the Moslem state, to be known as Pakistan. Bengal, the Punjab and the North-West Frontier Province are more difficult. In both Bengal and the Punjab, Moslems have only a narrow majority over Hindus and others, and to include these two vitally important provinces *en bloc* in Pakistan would be felt as an intolerable hardship by the many millions of Hindus in Bengal, and by Sikhs as well as Hindus in the Punjab. It was decided therefore to give the legislatures of these two provinces an opportunity of declaring, first, whether they wished them to be partitioned into predominantly Moslem and predominantly non-Moslem areas, and if, as has in fact happened, both the legislatures declared for partition, then the members representing constituencies in the predominantly Moslem and the predominantly non-Moslem areas, meeting separately, would declare whether they wished to belong to what is to be termed India or to Pakistan.

The case of the North-West Frontier Province is different from that of either Bengal or the Punjab, for there the great majority of the population is Moslem but nonetheless has hitherto supported a government allied to the Congress Party. And the Congress Party, of course, has always bitterly opposed the determination of the Moslem League and its leader, Mr. Jinnah, to partition India. The people of the Frontier Province were therefore given the opportunity, through a plebiscite, to declare their wishes for the future allegiance of their province.

Finally, as soon as the wishes of the peoples of these disputed areas had been made known, boundary commissions were set about the very delicate business of demarcating the actual dividing lines between the contiguous Moslem and non-Moslem areas in Bengal and the Punjab. In the latter case, a new and large complication is introduced by the presence of the Sikhs who are a separate community, neither Hindu nor Moslem. Although only

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about 4,000,000 all told, they were masters of all the Punjab, except its extreme south, and practically all the present North-West Frontier Province, until the conquest of the Punjab by the British a hundred years ago. Martial qualities, a proud tradition of past dominion, communal solidarity — all these combine to give the Sikhs an importance quite disproportionate to the fewness of their numbers. Yet no dividing line in the Punjab which the Moslems would ever accept could do other than leave a material proportion of the Sikh community inside Moslem Pakistan. And this is only one example of the kind of difficulty that is bound to arise in greater or less degree over the practical issues of delimitation and demarcation.

However, these conflicts of incompatible claims are well understood by the Indian peoples and their leaders, and no useful purpose will be served here by trying to suggest solutions in advance. It is something to the good that, now that the principle of partition has been accepted, both Governments in India will assume the status of self-governing members of the British Commonwealth, without prejudice to the right of their respective populations, once the boundaries have been finally settled and partition is complete, to decide for themselves whether they will retain their membership in the Commonwealth or leave it altogether.

The scheme for India's future is thus drawn on large lines, and, having regard to the place that India holds, and will hold, in the world, the world cannot be indifferent to the success or failure of it. Every Britisher who has served India — and vast numbers of Indians outside the Congress Party will share their feeling — must deplore the necessity of disrupting India's hard-won unity. As the Viceroy, Lord Mountbatten, said in his broadcast to India on Tuesday, June 3: "For more than a hundred years, four hundred millions of you have lived together, and this country has been administered as a single entity. This has resulted in unified communications, defense, postal services and currency, an absence of tariffs and customs barriers, and the basis for integrated political economy." That nation-building unity, temporarily at least, now disappears. We must understand why it has not been found possible to preserve it.

III

The reasons are older than even the establishment of British rule. Many foreign students who have no first-hand knowledge of

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India and its affairs have been puzzled by the Moslem League's bitter opposition, expressed through its leader and spokesman, Mr. Jinnah, to any scheme for a union of all India based on the cardinal democratic principle of majority rule. Their attitude has been represented as the attempt of a minority in India to dictate to the majority. Such judgment is not perhaps unnatural, but is certainly too harsh, and takes insufficient account of the realities of human life.

It is true that the Moslems form approximately only one-quarter of India's population, and that the Hindus outnumber them roughly by three to one. Nevertheless, the Moslems are conscious of deep traditional, historic and emotional differences between themselves and the majority community. They can never forget that they once ruled India as alien conquerors, and, although many Indian Moslems today are the descendants of Hindu converts to Islam, the great majority nevertheless now identify themselves with the Moslems who entered India in successive waves of invasion from the eighth century of our era onwards. And their thoughts constantly turn back to the great period of their rule, the Mogul Empire of Babur and his successors, the greatest of whom was Akbar, a contemporary of our English Queen Elizabeth. But from the last quarter of the seventeenth century onwards, as the Mogul Empire fell into decay, India became the battleground of rival potentates carving out kingdoms from its derelict dominion. Mahrattas in the center, Sikhs in the north, the Viceroy of Bengal in the east, the rulers of Hyderabad and Mysore in the south — all these were setting up successor states, and it looked as though India might sink into her old condition of uncertain equilibrium and intermittent domestic war. At this point the British, partly to establish order for the trade which had led them to India in the first instance, and partly in pursuit of their world-wide clash with the French, began their hundred-year conquest of India, which, beginning at Plassy in the east, ended at Gujerat in the northwest.

In place of chaos the British thus gave the *Pax Britannica*. During this hundred years of conquest, nearly three-quarters of the whole country came under direct British administration, while the remaining quarter was left under the rule of Hindu and Moslem Princes of innumerable gradations of strength and prestige, responsible for the domestic affairs of their states but having no foreign or military policies of their own. In a word, the British

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"froze" the situation as it was in the eighteenth century and though, as will be shown later, the seeds of subsequent constitutional development were being steadily sown, it remained largely frozen until the end of the second decade of this century.

The Government of India Act of 1919, better known as the Montagu-Chelmsford Reforms, with its declared goal of responsible self-government for India, was recognition of the extent to which the eyes of Indians — Hindus, Moslems and Sikhs alike — had caught the vision of wider political horizons. The more far-reaching reforms of the Government of India Act of 1935, with its autonomous Provinces of British India and provisions for a Federation of all India between British India and the Indian States, were a further long step forward, and but for the war might have been hoped to solve the problem of how to fit the Indian States into the larger mosaic of all India. For that is another, and a very difficult, element in the Indian conundrum of which much more is likely to be heard. The obstacles on the one hand to anything in the way of enforced adhesion of the Indian States to Hindustan or Pakistan, or on the other to the enjoyment by the States of complete independence of either, are alike formidable.

On British India the effect of the approach to the time when power, hitherto exercised by an outside authority, was to be transferred to Indian hands, was immediately to raise the question, "Into whose hands?" And as this debate proceeded, marked at times by savage outbursts of popular feeling, many old ideas, conditions and aspirations which men had long since thought dead and buried began to raise their heads. Of such sort were the Moslem and Sikh traditions of dominion, and with their resurrection came the revival of the ambitions of certain of the greater States to play once more an independent part in the life of India.

Between the Moslem religion and way of life and that of the Hindus a deep gulf is set. Their notions of social, political and even economic affairs are deeply divergent. The Sikh religion, too, with its complete denial of caste, which is the pith and marrow of the Hindu way of life, sets barriers between them and the majority community. But between Sikhs and Moslems also there are long generations of conflict, for it was under the hammer blows of Moslem persecution that the Sikhs first became a militant and then a conquering community.

So from all these different angles — religious, communal, his-

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toric, social and political — we catch a partial glimpse of the centrifugal forces which, today at any rate, seem to be moving in India, and which, if wise counsels for the general good were not to prevail over smaller hopes and fears, might come near to reviving some of the conditions of the eighteenth century. Such in brief are the reasons why it has not been found possible to preserve the political unity of India after the passing of the *Pax Britannica*.

But against such background we can measure the merits of His Majesty's Government's principal proposals of June 3. For instead of an anarchic struggle between a multiplicity of warring claimants, as happened when the Mogul Empire fell into decay, and on other occasions in India's history, it is hoped to secure a controlled division of India, agreed between Moslems and non-Moslems, with the rulers of the Indian States invited to come to peaceful and friendly terms with one or other of the two Indias which are now emerging. Moreover, as we have seen, these two Indias are offered full autonomous membership of the British Commonwealth of Nations, which means that, if they choose to accept it — and their choice will be absolutely free and uncontrolled — they will at once in this atmosphere of complete freedom become inheritor beneficiaries of the incentive and practice of friendly coöperation, which every member of the British Commonwealth today enjoys.

I have no doubt that these considerations are present to the minds of Indian leaders; and friends of India the world over, British and foreign alike, may well hope that both the new Indias will walk together along this path. For thus they would retain, in addition to many advantages which are far from negligible, the priceless asset of common citizenship, and salvage for the India of the future a creative principle out of which other formal attributes of unity may grow.

IV

It is strange how little place has been given by historians of British India to the cardinal truth that the political development of India during the past 150 years has been the product, not only of her connection with Great Britain, but of her membership of the British Empire and Commonwealth. In the case of the other self-governing members of the British Commonwealth, the molding influence of the inclusive association to which they all belong is generally recognized, and it is therefore reasonable to

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assume that India is not likely to be a solitary exception to this rule. Nor does this general assumption lack support from the facts of history. I suppose the greatest event in the history of the British Empire is the secession of the American Colonies, which left so deep a mark upon the history of the Mother Country and all her daughter nations. It generated a ferment of feeling and a searching of heart, of which the great Reform Bill of 1832 in British domestic politics, and the Durham Report some years later in imperial politics, were two outstanding consequences. Pitt's India Act of 1784 may be regarded as a repercussion on India of the great event. For in Pitt's own words the Act was meant "to give to the Crown the power of guiding the politics of India with as little means of corrupt influence as possible." In other words, the doings of the employees of the East India Company, whose forces had already conquered large and important territories, were in the last analysis to fall under the scrutiny of Parliament. Here was an invaluable safeguard. The Charter of the East India Company, under which it carried out all its operations, became due for renewal every 20 years, and the renewal provided the occasion for a review by Parliament of the whole conduct of the Company. Thus when the Charter came up for renewal in 1833, the first year of the reformed Parliament, it was laid down as a result of the discussion in Parliament that the great principle of equality of opportunity and equality before the law of all British subjects should be extended to India. A quarter of a century later, after the Indian Mutiny of 1857, the administration of India by the East India Company was taken over by the Crown, and Parliament thus became directly responsible for the Government of India through its agent, the Secretary of State for India.

With the transfer of authority came revision of the system of government, and in 1861 Parliament accepted the principle of representation of the people of India in the Indian Legislative Council. The Council of that day was small and its powers restricted, as was the degree of representation established; but a principle vital to future development had been introduced. For between 1833 and 1861 a beneficent revolution was occurring in British imperial policy. The colonies, later to bear the name of Dominions, and led by Canada, the oldest of them all, had achieved, or were on the high road to achieve, responsible self-government, which in the case of Canada had already become complete auton-

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omy in her domestic affairs. By curious accident, Lord Elgin was Governor-General of Canada during the fateful closing years of the 1840's, which saw this transformation, and in 1861 he was Viceroy of India. Whatever may have been his direct connection with the framing of the India Councils Act of 1861, the new conception of imperial relationship which was growing up in the older colonies can hardly have failed to exert decisive influence upon the policy adopted in regard to India.

Looking back, we may judge it to have been inevitable that India should follow at her own distance and her own pace after the other members of the British Commonwealth. The process was cautious, but the general trend is unmistakable. The India Councils Act of 1892 asserted the principle of election for the Indian legislative body, and in 1908 the Morley-Minto Reforms greatly widened both representation and election, and the scope and powers of the Indian Legislature. In a true sense, 1908 was the direct precursor of 1919, the date of the Montagu-Chelmsford Reforms, just as these sign-posted the road to the great Act of 1935. To these two last reference has already been made, and it is inevitable that they should have somewhat overshadowed what was done in 1908. But the date 1908 is significant for its close correspondence in point of time with one of the most fruitful acts of all British imperial statesmanship, namely, the grant of responsible self-government to the then recently annexed Boer Republics of South Africa.

Other examples might be given to illustrate how intimate has been the interaction between developments in British Commonwealth relations and the system of government in India. But the broad picture is clear enough. As the conception of equal partnership in the British Commonwealth took root, India moved naturally and inevitably along the track already blazed by the constitutional pioneers which was to lead on to Dominion status. And during all these years, the strong centralizing rule of the British was investing India with the material apparatus and many of the formal attributes of a united nation. Law and order were impartially enforced. The strong arm of the *Pax Britannica* gave India security from external menace. From end to end the country was linked together by modern communications — railways, roads, telegraphs, shipping, and, latterly, wireless and aircraft. Great irrigation schemes were developed; famine no longer took cruel and all too frequent toll of the population; departments of

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public health, education, industry and commerce, and all the other activities of modern government came into operation; until to all outward appearance, India was a single and united nation.

The achievements of British and Indians working together on the material plane should not be underrated, for they were indeed remarkable. Speaking in the House of Commons on the Charter Act of 1833, Macaulay described the task of the British in India as "the stupendous process of the reconstruction of a decomposed society." He did not exaggerate, as many narratives of travellers, historians and officials can testify, and the India of today, despite many shortcomings in material equipment and in social and economic conditions, is a visible record of one of the most surprising administrative achievements in history.

But the unifying of India went much deeper than the outward evidences of material activity. And there could be no more impressive symbol of the deep unity achieved under British auspices than the Indian Army, in which Indians of all creeds and communities have been proud to fight side by side twice in a generation for a common cause. The system of education, particularly of higher education imparted through the medium of the English language, accomplished on the spiritual plane much of what communications, medicine, law and order, and the rest had accomplished on the material. The English language has been a great nation-building force in India. Not only has it unlocked for Indians the storehouse of the world's learning, a task which no Indian language could have performed, but it gave them for the first time a common language suitable both for politics and learned intercourse. In and through English the ideals of Indian nationalism have found expression. Without English no nation-wide nationalist movement could have come to birth or flourished in India, for there would have been no universal medium of communication and no heaped-up stores of inspiration and experience on which to draw. For English is the language of freedom, the most potent of all the weapons in freedom's armory.

It is well that we should remember these things now, for in them we may detect mighty unifying forces below the surface, which may be powerful in the years to come. The political ideals which animate both Hindu and Moslem leaders are those which they have inherited as their birthright, like their fellows elsewhere in the British Commonwealth. The English language will never be completely displaced from the education of the Indian people,

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although Hindi, Urdu, Tamil, Ooriya, Bengali and other Indian languages will undoubtedly be more important media of instruction than they have been hitherto. For the English language and all that it means for the human spirit have become an imperishable part of India's heritage, and will impel unseen hands to reach out towards each other from both component parts of the India we have known. May it not perhaps be that the experience of free participation in the Commonwealth, with all that this implies, will prove itself a potent and unifying instrument?

There are some signs that the above may not be just pious aspirations. For some months past a Constituent Assembly representative of the different communities and interests of India, but at first boycotted by the Moslem League, has been meeting to consider the framework of the Constitution for the new self-governing India. Now that partition has been decided upon, the Moslem League, while having its own Constituent Assembly, will also be represented in the other, in order to hold a watching brief for Moslem interests outside Pakistan. A number of committees were set up by the Constituent Assembly, and one of the most important of these, the Constitution Committee, had as its task consideration of the fundamental structure of the Constitution. In the last days of June that Committee, having considered the respective merits of the American and British systems, decided in favor of the parlimentary system common to the United Kingdom and all the other self-governing Dominions. Moreover, it recommended that the official languages should be Hindi, Urdu or English. Hindi is an Aryan language spoken over a great part of India, mainly by Hindus, while Urdu, with its strong admixture of Arabic, is a *lingua franca* of the Indian Moslems. But in Hindu India there will be many who can speak neither Hindi nor Urdu, and English is bound to maintain a strong position alike in the law courts, in the legislatures, and in higher education. It is probable that when the Pakistan Constituent Assembly meets, it will come to similar decisions on these two vital points, for the Moslem objections to a system of government based on the fundamental democratic principle of majority government apply only to a government of all India, in which they would be in a permanent minority. Thus the nation-building forces of the English language and the British parliamentary democratic system will in all likelihood remain operative after the two Governments in India have set out upon their separate ways.

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V

So as we cast up the credit and debit balance of the partition of India, we see that the debits, although they are visible and tangible enough, receive some offset from invisible but weighty credits. There are others which may properly be included. One of the greatest is the disappearance of the age-old suspicion of British motives on the part of Indians, in the face of a British-proclaimed policy that is so unmistakably clear and unconditional. In the difficult days which lie ahead this will be a great asset to Indians, because, with the actual process and details of partition, the most difficult and dangerous of all the stages of their political revolution has been reached. And both sides now know that in the British Government and people they have friends who will put their unrivalled political experience and their unstinted help at the service of the two Indias which are emerging. There will be no hidden purpose and no self-seeking behind such advice and help, and assuredly the Indian people will draw on it.

It is easier now than it was a few years ago to see that to expect Indians to reach full agreement among themselves on their political future before they had full power in their own hands to implement whatever they might decide was not the right approach. Now such power has been put into Indian hands, and, as nearly always happens, the acquisition of power has been followed by the growth of a sense of responsibility. As we read the dispatches from India today, we see deep searchings of heart, not only among Indian political leaders, but among the best of their followers, concerning the partition of their country. If the Moslems have insisted uncompromisingly on the creation of Pakistan, they nevertheless feel deeply the division of India between themselves and their Moslem compatriots. And this, too, is an item to be set on the credit side of the balance because, as nostalgic hopes of a united Punjab and a united Bengal continue to be held by Moslems (as they will be held) it will surely be seen that such union can be had only within the wider shelter of a united India. And so long as Hindustan and Pakistan remain members of the British Commonwealth of Nations, they can never be foreign to each other.

India stands today face to face with destiny. The choice that will make her future lies solely in Indian hands. Great Britain,

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with more than 200 years connection with India, is happy to have it so, for everything that is passing into history as I write is the logical and natural issue of the history of the last two centuries. That Great Britain has through those long years made mistakes no Britisher would deny. But where mistakes have been made they have either been honest mistakes of judgment or mistakes which the rising standards of a later generation have been quick to criticize and condemn.

And I would not hesitate to make two assertions: first, that on any impartial appraisement the British record in India is something of which the British people may rightly be proud; and second, that greater than anything which they have done or not done in India is the fact that they have by their contact with India introduced to that immense portion of Asia the principles of freedom and justice which are the foundation of the life shared by the English-speaking world.

Here is the taproot by which the new Governments in India will be fed. Here, too, is the source and inspiration of a policy that will leave to India the choice, free and unfettered, of her continued partnership in, or departure from, the British Commonwealth. Here too, perhaps, may be the key to open one more, and perhaps the greatest, chapter in the long story of our Commonwealth of Nations which began — where it might well have ended — at Boston 170 years ago.

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INTERVENTION AND INTERVENTIONS

By Sumner Welles

AT THE close of his career Talleyrand observed to his friends in London that he had finally reached the conclusion that "intervention" and "nonintervention" were "practically synonymous."

There is more than a superficial similarity between the state of affairs existing in the year 1833, when Talleyrand startled his English admirers, and that prevailing in this year of grace 1947. The major Powers loudly protest their respect for the sovereignty of weaker nations and vehemently decry any measures that seem to infringe their rights. Yet now, as then, it is notorious that in practice the lesser states are being subjected to every variety of intervention in their sovereign concerns whenever a major Power believes it can thereby serve its own interests.

Confusion worse confounded is enshrouding the thinking of an increasing number of people in the western democracies. Here in the United States there seems no longer to be any general regard for the moral values upon which the doctrine of nonintervention has been based. We seem to be oblivious of the fact that the Atlantic Charter, the Charter of the United Nations, the treaties upon which the inter-American system rests, and the official pronouncements of the objectives sought by the United States in the Second World War, obligate this Government and other governments to respect the sovereignty and independence of all nations great or small, as well as the inherent right of all free peoples to self-determination, and that intervention in the national concerns of any other state is a violation of those basic obligations. "Intervention" seems again to be becoming almost synonymous with "nonintervention."

Hall gives a precise definition of the term "intervention" in his "International Law:"

> Intervention takes place when a state intervenes in the relations of two other states without the consent of both or either of them, or when it intervenes in the domestic affairs of another state, irrespective of the will of the latter, for the purpose of either maintaining or altering the actual conditions of things within it. Prima facie intervention is a hostile act because it constitutes an attack upon the independence of the state subjected to it.

The fundamental issue which is at stake is the right of sover-

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eign peoples to preserve their freedom even though their countries may be small and weak. Are peoples who have achieved independence freely to enjoy the liberties legitimately derived from independence? In the case of a strong nation that right is not likely to be jeopardized. It is only in the case of the smaller and weaker countries that an infringement of that right is to be feared. It is, therefore, equally patent that intervention must likewise be an act inspired by the assumption that "might makes right."

However plausible may be the motives alleged in justification, intervention is inherently an act in violation of rights which, under every precept of the public law that civilization has evolved, should be inviolable, an act of hostility, and an act rendered possible only because of the superior force of the intervening state.

In a study of the causes and effects of intervention, no better illustrations can be found than those afforded in the record of this country's relations with the other American Republics.

The history of our hemispheric policy may readily be divided into five chapters.

Before the proclamation of the Monroe Doctrine in 1823, while the American people had watched with sympathy the efforts of the Latin American colonies to win their independence, the immaturity of the United States together with the lack of communications with the rest of the hemisphere prevented the development of more than nominal relations.

After 1823 came a period of some 40 years when our policy was primarily one of expansion. The concept of "manifest destiny" was uppermost. The first phase of manifest destiny brought under United States jurisdiction all territory lying between the Atlantic and the Pacific. The war with Mexico was frankly a war of conquest. Had it not been for the contest between the North and the South which at length flamed into the Civil War, the impulse of manifest destiny might well have pushed the frontiers of the United States far south of where they eventually were drawn.

Yet during those decades — decades when the doctrine that might makes right was undeniably predominant in our national policy — the United States refrained from overt intervention in the domestic affairs of her American neighbors. This Government's policy generally followed the lines indicated by Martin Van Buren in his instruction of June 9, 1829, to the United States Minister in Colombia:

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It is the ancient and well settled policy of this Government not to interfere with the internal concerns of any foreign country. However deeply the President might regret changes in the government of the neighboring American states which he might deem inconsistent with the free and liberal principles which lie at the foundation of our own, he would not on that account advise or countenance a departure from this policy.

After the Civil War even this "ancient and well settled policy" was scrapped. From then until the close of the century this Government, in its dealings with the other peoples of the hemisphere, pursued a high-handed course which flagrantly disregarded their sovereign rights, which manifested itself by persistent interference in their domestic affairs, and which brooked no question of its right under the Monroe Doctrine to exercise hegemony over all the Americas and to deal with the other American Republics as though they were protectorates. The note sent by Secretary Olney to Great Britain at the time of the Venezuela boundary controversy announced this asserted right in categorical terms.

Following the Spanish-American War, this country, for a brief period, dabbled in imperialism. Those were the days when politicians like Albert J. Beveridge proclaimed in the United States Senate that "God has made us the master organizers of the world to establish system where chaos reigns. . . . He has made us adept in government that we may administer government among savage and senile peoples. . . . This is the definite mission of America. . . . Pray God the time may never come when mammon and the life of ease will so debase our blood that we will fear to shed it for the flag and its imperial destiny."

The imagination of a large number of Americans was captivated by the idea that it was their moral obligation to "clean up" those countries that seemed amenable, and particularly some of those in the western hemisphere. The Anglo-Saxon race is often prone to find a convenient moral justification for whatever it chooses to do in its own self-interest.

The logical result was the so-called (Theodore) Roosevelt Corollary to the Monroe Doctrine, which maintained that in order to safeguard the Doctrine the United States should, by force if necessary, prevent the growth of any condition in another American Republic which could conceivably give rise to European interference. The Corollary's scope was obviously as broad as this Government chose to make it. It frankly sanctioned a continuing policy of intervention.

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This innovation bore its first fruits in the establishment by the United States of customs receivers and financial and military advisers in many of the smaller American Republics, solely responsible to Washington, and all of them exercising a measure of control sufficient to determine the internal policies of the sovereign countries to which they were sent. This alien interference inevitably paved the way before long for the military occupation of such countries as Haiti, the Dominican Republic and Nicaragua, and the obliteration of every vestige of self-government in those countries. It naturally aroused bitter popular hostility toward the United States in every nation south of the Rio Grande.

The fifth and final stage in our hemispheric policy began when Franklin Roosevelt proclaimed the policy of the Good Neighbor early in 1933. That concept of hemispheric policy was implemented in the autumn of the same year when the United States signed, and later ratified, the Inter-American Convention prohibiting the intervention by any American state "directly or indirectly" in the internal or external affairs of any other American state.

It was that solemn commitment on the part of the United States, and the practical application immediately given to it through our abrogation of all treaties granting us rights of intervention — such as the treaty with Cuba which contained the Platt Amendment and the treaty of 1903 with Panama — which constituted the foundation upon which the inter-American system has been built.

That system represents the most enlightened as well as the most effective regional association of sovereign nations that the world has yet seen. It is enlightened because by the pacts and understandings upon which it is based all of the 21 countries composing it, great or small, enjoy a status of complete equality. It is effective because the coöperative measures — whether political, economic or military — to which they are all pledged are undertaken voluntarily. They are not undertaken under coercion for the selfish advantage of the most powerful member of the group.

Because the United States pledged itself in 1933 to respect the sovereign rights of its American neighbors, because it followed this pledge with a policy of friendly coöperation, it secured on December 7, 1941, a measure of genuine support from the 20 other American Republics which it never could have won by any form of domination. The inter-American system represents, dur-

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ing these crucial years in world affairs, a mighty bulwark of security for the people of the United States. It also represents an assurance of safety for every other American Republic. But it could never have been created, nor could it today survive, had it not been built up upon the foundation of nonintervention.

There can be no enduring international order that is not based upon voluntary coöperation between peoples. No such coöperation can exist if the smaller members of the family of nations are exposed to the continuing threat that their liberties may be restricted or that their destinies may be determined for them whenever their more powerful neighbors see fit. The very ability of smaller countries to survive as independent states is contingent upon the willingness of the major Powers to abide by the principles of the doctrine of nonintervention.

II

Emphasis upon these truths seems all the more necessary because of the change which has taken place during recent years in the point of view of many here in the United States. During the earlier years of the present century that element in American public opinion represented by the anti-imperialists waged a persistent campaign against the acts of intervention perpetrated by the United States in the other American Republics. They were against the invasion of Mexico, and against the military occupation of Haiti and of the Dominican Republic undertaken during the Wilson Administration. They were against the policies of the Coolidge Administration in Central America. They protested on the ground that such acts and such policies were immoral, in flagrant disregard of the liberties of independent peoples, and that they made our repeated professions of respect for international law nothing more than rank hypocrisy. Those protests undoubtedly influenced public opinion. They played no small part in bringing about a salutary change in the inter-American policy of the United States.

It is a strange anomaly that many of those responsible for this change in our hemispheric policy should today constitute the spearhead of interventionist sentiment. Before the Second World War, and during the war itself, these same individuals were demanding that this Government overthrow the régimes then in power in such great South American states as Brazil and Peru, as well as in several Central American countries. They com-

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plained that these and other Latin American governments were not "democratic;" they said that the United States possessed a moral obligation to see to it that no governments should hold office within the Americas save those that in their eyes were sufficiently "democratic;" they insisted that Nazism and Fascism would otherwise rule triumphantly over the New World.

It apparently made no difference that the United States was specifically precluded from any form of intervention in the Americas by the Montevideo Convention of 1933, and that had these demands been granted this Government would have been guilty of a flagrant violation of its most solemn pledges. It apparently made equally little difference that if the history of our hemispheric relations proved anything at all it proved that the surest means of disrupting Pan American solidarity was for the United States to revert to those interventionist policies that were the nightmare of Latin America. Nor did these "nonInterventionists," now turned "interventionists," seem to be able to grasp that at the very moment when the United States was menaced by powerful enemies in Europe and in Asia nothing could have better served the interests of the Axis Powers than to have the United States resort to a policy which must inevitably wreck Pan American unity.

An attempt to analyze the causes of this change of attitude on the part of so many anti-imperialists and liberals may be useful.

It was certainly due in part to the question of "whose ox is gored." Much of the earlier interference by the United States in the Caribbean and Central America had been instigated by powerful financial and commercial interests that wished this Government to bolster "safe" governments with which these special interests could "do business." To many American liberals, consequently, a policy of nonintervention formerly implied that the political parties in Latin America with which they sympathized would be more likely eventually to gain the upper hand. It was less the doctrine of nonintervention that they upheld than a policy which they thought would promote the ideologies upon which they themselves were bent.

It must also be remembered that in the 1930's a number of prominent political exiles from Latin America had come to the United States. Many of these, in an attempt to bring about the downfall of the governments they opposed, lost no opportunity of insisting that the American people must in the sacred name

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of democracy overthrow every government in the Americas which failed to measure up to perfectionist standards. It is perhaps scarcely necessary to add that had the United States undertaken to oppose governments in Latin America which these same political refugees supported, the heavens would have resounded with their outcry against Yankee imperialism.

Finally, there is much evidence that this clamor for United States intervention in Latin America was assiduously stimulated by certain Europeans who had only recently reached these shores. Some of them obtained influential positions in a number of left-wing periodicals. They preached the need for United States intervention "in a righteous cause" week in and week out. Their outpourings had no little impact upon the thinking of many liberals in this country. It is perhaps wrong to question the sincerity of all of these propagandists. But few of them had any knowledge of the political evolution of the Latin American peoples, and little realization of the fundamental distinction that should justly be drawn between the traditional dictatorships that have appeared from time to time on the Latin American scene and the totalitarian régimes which sprang up in Europe during the past 30 years. In any event, they had no individual interest in the preservation of inter-American solidarity, nor in the prevention of a renewal of the antagonism and suspicion toward the United States which had for so many generations poisoned this country's relations with its southern neighbors. It is equally certain that even before the close of the war some of these European propagandists were deliberately pursuing tactics which in their belief would undermine the influence of the United States in the western hemisphere, weaken the position of this Government at the moment when the peace settlements came up for negotiation, and make it far less likely that a united western hemisphere could play any decisive part in determining the nature of the future international order.

III

The American Republic with which the United States has traditionally had the least cordial relationship has been Argentina. This has been due to several causes. While Argentina buys a large volume of our manufactured goods, we buy relatively little from her. Many of her chief exports, such as meat, are excluded from our market by quarantine and quota restrictions. Until re-

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cently there has been little communication between the two countries. Argentina's commercial and financial interests have for more than a century been closely linked with those of Great Britain. The Argentine people, by reason of their racial origins, their cultural affinities and their history, have peculiarly close ties with Europe.

As one of the greatest South American states Argentina has long sought to exercise an influence in inter-American affairs equivalent to that of the United States. A nation of vast natural resources, with a rapidly-growing population, and of great geographical extension, Argentina is proudly confident of her future destiny as a Great Power. There is no country of Latin America where the nation's sovereignty is more jealously upheld by the masses of the people. The Argentines are strong individualists. They have inherited the traditional Spanish passion for individual freedom even though they have at times tolerated national governments which have been dictatorial or corrupt, so long as these refrained from undue interference in their daily lives. Their constitution is closely modeled upon that of the United States. They have enjoyed stable government during the better part of a century. As the years have passed, national, provincial and municipal government has gradually become more truly representative.

Nevertheless a more equitable form of democracy has for many years been the aspiration of a majority of the Argentine people. It was for that reason that when President Roosevelt visited Buenos Aires in 1936 he was accorded an ovation by the masses of the Argentine people. He symbolized to them a system of liberal democracy under which the common man was not forgotten, and under which every citizen might obtain economic as well as political security. The policies he had inaugurated here made them realize, for the first time, that the United States stood for something other than that gross materialism which anti-American agitators had so often told them was the dominating force in American life.

The year 1936 should have marked the commencement of a new era in the relations between Argentina and the United States. The Good Neighbor Policy had already eradicated much of the extreme hostility toward this country which had long been prevalent in Argentina. The value to all of the American peoples of a more closely integrated regional system was becoming increas-

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ingly evident as the war clouds loomed in Europe and in the Far East. Public opinion in both countries was receptive to the idea that a closer understanding was needed in the interest of both nations.

The election as President of Argentina of Dr. Roberto Ortiz seemed to make such a development more likely. For Dr. Ortiz saw eye to eye with President Roosevelt in his recognition of the dangers which European totalitarianism represented to the western hemisphere. He was also imbued with a sincere desire to liberalize Argentine democracy and to remedy the social inequities resulting from a system under which a small minority controlled nine-tenths of the land, the natural resources, and the wealth of the nation, and the majority of the Argentine people — the tenant farmers and the agricultural workers, industrial labor and the white collar employees — shared but little, if at all, in the profits which they helped to produce.

These prospects for a better understanding between Argentina and the United States had scant chance to materialize. President Ortiz became seriously ill soon after his inauguration, and was stricken with blindness. He was forced to resign. He was succeeded by a vice president who was narrowly nationalistic, reactionary to an extreme degree, and controlled by influences notoriously opposed to any form of coöperation with the United States. So long as Dr. Ortiz held the reins of government, Argentina and the United States coöperated effectively. At the first conference of the American Foreign Ministers, held in Panama immediately after the outbreak of the Second World War, the Argentine and United States delegations acted in entire harmony. At the following conference, held in Havana in 1940, the Argentine delegation signed all of the far-reaching commitments contained in the inter-American agreements there negotiated.

But after Vice-President Castillo replaced President Ortiz, a change in Argentina's policy became at once apparent. At the next conference of Foreign Ministers held in Rio de Janeiro in 1942, after Pearl Harbor, the Argentine Government at first attempted to persuade several neighboring nations to pursue a course of strict neutrality. When these efforts failed, the Argentine delegation was compelled, in view of pressure from the other Latin American Republics, to join with them in a resolution providing for the severance of all relations between the New World and the Axis Powers. The Argentine Government later, however,

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postponed carrying out the commitments set forth in the resolution which it had signed.

The Castillo Government thereby ran counter to the trend of popular opinion throughout the Americas. It sacrificed the hemispheric influence which Argentina had long possessed because of her position and because of the exceptional capacity which so many of her leading statesmen had displayed. The Government became highly unpopular at home. The increasing corruption and inefficiency of the Executive, and the steps which it took to muzzle the Argentine Congress, helped to bring on a political crisis.

In June 1943, the Government was overthrown in a revolution headed by officers of the Argentine Army and Navy. A military dictatorship was installed under the Presidency of General Ramirez. It was at first thought that the revolution would bring with it that break with the Axis Powers to which Argentina was committed, and a return to that policy of coöperation in the defense of the western hemisphere which President Ortiz had favored. But the move was opposed by a powerful clique among the Army officers. Among these the dominating personality was Colonel Domingo Perón. In January 1944, Colonel Perón manœuvred the enforced resignation of General Ramirez as President of the Provisional Government, and his replacement by the Vice-President, General Farrell.

Until that moment the policy of the United States had been governed by the same principles as those which had been scrupulously observed from the time the Good Neighbor Policy was first proclaimed. As soon as it became apparent that the Provisional Government established in Argentina under General Ramirez was in control of the Republic, the United States, ascertaining by consultation that all of the other American Republics believed that official relations should be maintained with the provisional régime, accorded official recognition to that Government. The 19 other American nations likewise recognized the Government of General Ramirez. The act of recognition carried with it no implication that either the United States or the other American Republics favored the assumption of executive authority in Argentina by a military and naval junta. Recognition was accorded because the other American states believed the interests of the hemisphere would be better served if all of the American nations were on speaking terms, and because of their common conviction

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that the influence of the other American Governments, and the effect of public opinion in the other American democracies, could be more effectively exercised in the preservation of inter-American solidarity, and in behalf of a prompt return by the Argentine people to democratic and constitutional government, if official relations were maintained between the authorities who were in control of Argentina and the Governments of the other American Republics.

When the figurehead Ramirez was replaced by the figurehead Farrell, the nature and even the composition of the Argentine Provisional Goverment had undergone scarcely any other change. But the policy of the United States was suddenly transformed. The Department of State decided unilaterally, and without resort to that form of consultation with its American neighbors envisaged in every inter-American agreement concluded during the preceding ten years, to deny recognition to the Farrell Government. It demanded similar action on the part of the other American Republics. The adoption of such a course could obviously be interpreted in only one way in Latin America. It meant that the United States desired the overthrow of the Farrell Government. When, after a few months, mere non-recognition failed to bring about such a result, the United States, again unilaterally, resorted to a series of coercive measures equivalent to economic and financial sanctions. The pretext advanced by the State Department as justification for its attitude was that the Argentine Government had interfered in Bolivia and had sponsored Bolivian revolutionaries believed to be acting under Nazi influence. This argument carried little weight in Latin America since it was notorious that these intrigues had been carried on while General Ramirez was still President and that General Farrell had had no part in them. Later the justification given was changed to the charge that the Argentine Government had not complied with the letter of its inter-American commitments.

The refusal of the United States to recognize the Farrell Government, its querulous insistence that the other American Republics meekly follow suit, and its subsequent efforts to bring about the elimination of the Government by financial and economic sanctions, represented undeniable intervention in the internal concerns of the Argentine people.

As might have been anticipated by any one possessing even a rudimentary grasp of Latin American psychology, these acts of

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intervention produced the precise reverse of the desired results. Argentina, which had been an exceedingly unpopular member of the family of American nations since the Rio Conference of 1942, quickly began to receive evidences of sympathy from her Spanish-American neighbors. Within the Republic, the régime, which because of its military and unconstitutional character was genuinely distasteful to the rank and file of the Argentines, steadily gained popular backing. The attempt of the United States to coerce his government caused the average Argentine almost automatically to rally to its support.

Changes in the personnel of the State Department temporarily eased the situation. The Inter-American Conference at Mexico City in 1945 brought about a renewal of relations between the United States and Argentina, and the subsequent admission of Argentina to the United Nations.

The Provisional Government later that year announced that national elections would be held in February 1946. Colonel Perón became a candidate for the Presidency. His opponent, Dr. Tamborini, a highly respected member of the Radical Party, was backed by a number of other liberal groups. Because the Radical Party had for a generation been undoubtedly supported by a majority of the Argentine voters, and because Colonel Perón had no political organization, it was generally taken for granted that in any honest election Dr. Tamborini would be the winner. These estimates failed, however, to take into account several important considerations.

For the first time since the days of the great leader of the Radicals, Hipólito Irigoyen, a presidential candidate was not only proclaiming his intention of improving the lot of the underprivileged, but had already taken practical steps to improve their lot. For Colonel Perón, when he held office in the Ramirez and Farrell Governments, had brought about the adoption of social security legislation, of wage increases, and of bonus payments which had directly benefited every working man and woman in the Argentine Republic. He had consequently become the idol of the poorer classes — the *descamisados*, or shirtless, as the Argentines call them.

In addition, the Radical Party, powerful as it had once been, was now torn with dissension. A wing of the party came out in support of Perón. While most of the conservatives refused to take any open part in the campaign, their hatred of Communism, and

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their fear that the popular-front government which Dr. Tamborini must head if he were elected would be subject to Communist influence, made many of them quietly work for the election of Colonel Perón.

It remains, however, an open question whether Colonel Perón could have been elected under normal circumstances in view of the popular detestation of the military dictatorships in which he had played so considerable a part during the preceding two years, and in view of the desire of the average citizen for internal peace, political stability and liberal democracy. What decided the outcome of the elections was the further attempt of the Department of State to intervene in Argentina.

The Department had for some time, through the then American Ambassador in Buenos Aires, and through repeated official admonitions, been exhorting the Argentine people to get rid of their government and replace it with one which was "democratic." Colonel Perón emerged as the chief devil in the picture painted by Washington. In Latin America generally, and especially in Argentina, he consequently seemed to be undergoing individual persecution by the Colossus of the North. This issue was not destined to make for his unpopularity. Nor did his political henchmen fail to take full advantage of the opportunity so afforded. But a far greater opportunity was to come.

Less than two weeks before the national elections the Department of State, with much publicity, issued a so-called Blue Book which contained a voluminous series of charges against Colonel Perón and many of his former associates in the Provisional Government, purporting to prove their connivance with Axis agents. Had these charges been submitted to the other American Governments for their consideration before the commencement of the Presidential campaign, and had the American Republics then jointly vouched for the authenticity of the charges, the Argentine electorate might have put an end to the presidential aspirations of Colonel Perón. But published as they were at the turning point of the campaign, they were necessarily regarded by every Argentine as an attempt of the United States to defeat Colonel Perón and to elect his opponent. As a leading statesman in another Latin American country said shortly afterward, "Colonel Perón owes his election to the United States."

In elections which were undoubtedly as fair as any elections ever held in Argentina, and free from any evidence of coercion

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or of corruption, Colonel Perón was elected President by a substantial popular majority and by an overwhelming majority in the electoral college. The intervention of the United States ended in an abject failure to achieve its objectives. It diminished the moral standing and the great prestige which this country had derived from the Good Neighbor Policy. It undermined the confidence of the other American peoples in the good faith of this Government.

IV

Similar results have attended every attempt of this Government to intervene in the sovereign concerns of the other American states. Intervention has never been of any political or social benefit to the countries in which we have intervened, and of no lasting material benefit. To the people of the United States it has brought only the hatred and suspicion of their neighbors. It must inevitably destroy that reciprocal and friendly confidence without which regional unity and regional coöperation cannot exist.

But the factor perhaps most responsible for the recent growth of interventionist sentiment in the United States had no connection with the western hemisphere. It had its origin in the events which culminated in the establishment of the Franco Government in Spain.

The Spanish Civil War was more than a military rebellion against a Republican Government. It was far more than one of those social upheavals with which the Spanish people have been scourged for a century and a half. It was fundamentally a war of rival ideologies. In such a war the extremes of fanaticism are bound to show themselves.

From the outset it was well known that Franco was backed by the Italian Fascists and that the Republican Government was being helped by the Soviet Union. Had the British Government pursued its traditional policy it would have accorded belligerent rights to both of the contending factions. On the ground, however, that General Franco possessed a greater command of the seas than his Republican opponents, and that a free flow of arms to both sides would have increased the danger of a general conflagration in a Europe already at the brink of war, Britain accepted the French proposal of "nonintervention" ostensibly designed to prevent all foreign interference. How shoddy a façade this policy of nonintervention proved to be needs no present

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elaboration. Before the end of the Civil War, Italian and German troops were openly fighting at the side of Franco, and the Nazis and Fascists were using Spanish civilians as guinea pigs upon whom to try out their new weapons of destruction; in the Mediterranean, Italian submarines were sinking Russian ships carrying munitions to the Spanish Republicans; and the French Government was at times sealing its frontiers, and at others secretly shipping airplanes and munitions to the Republican forces.

The nauseating hypocrisy of the so-called "nonintervention policy" of the European Powers, which our own Government unfortunately supported, sickened many Americans, as well as many Europeans. The doctrine of nonintervention became a stench in the nostrils, just as the intrinsically righteous word "appeasement" became a term of reproach after the use made of it in 1938. It lost its moral significance. The belief has grown that a policy of nonintervention need by no means necessarily be determined by any question of law or of morals, but that its application depends rather upon considerations of sheer expediency.

The extent to which the doctrine of "nonintervention" has now been prostituted could not be more clearly demonstrated than by the events of the summer of 1947. The reason officially given by the Soviet Government for its rejection of the Marshall plan was that it implied interference by a major Power — namely, the United States — in the internal concerns of other sovereign nations. The issue of nonintervention has been used *ad nauseam* by Soviet propagandists to arouse anti-American feeling in Europe. Yet at the very moment that the Soviet Government was thus publicly upholding the rights of small nations, the Kremlin was secretly threatening the supposedly independent countries of eastern Europe with dire consequences if they dared participate in a reconstruction program in which they were vitally interested. To such an extreme was the intervention of the Soviet Union carried that Czechoslovakia, whose prosperity depends upon her ability to trade with the west as well as with the east, was actually forced to cancel her official acceptance of the invitation to attend the Marshall Plan Conference.

These most recent evidences of Soviet policy have been vehemently denounced in the western democracies. Yet public opinion in this country seems to be blandly unaware that a parallel might be drawn between the policy pursued by the United States in the past three years toward some of its neighbors, and the policy of

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the Soviet Union toward the smaller states of eastern Europe. In their violation of a basic moral principle the two policies are precisely the same. They differ only in degree. In each case a major Power has undertaken to dictate to smaller countries in its neighborhood how to run their own affairs. Such domination of its neighbors by the preponderant Power in any region can lead only to the establishment of a sphere of influence, and the relegation of all of the lesser states within that region to the rôle of protectorates.

V

One salient truth must emerge from any objective analysis of recent international relations, and of the evils to which the abandonment of the doctrine of nonintervention has given rise. That truth is that if in the world of the future the intermediate and the lesser nations are to survive as independent states — and many of them have contributed far more to the progress of mankind, to the growth of international morality, and to the construction of a decent world order than their more powerful neighbors — the unilateral intervention of any major Power in the sovereign concerns of a weaker country must be permanently outlawed.

The chief argument, and the only argument worthy of serious consideration, advanced by those who claim that the doctrine of nonintervention is no longer applicable in the modern world, is the argument that peace is jeopardized whenever the people of any country permit the establishment of a Fascist régime within their boundaries. The claim is made that since the four major Powers have announced their determination to eradicate Fascism it is their obligation to assure themselves that no government shall remain in power if in their judgment it shows signs of Fascist tendencies.

The interventionists cite the rise of Fascism in Italy and of Nazism in the Third Reich as instances which prove their contention that intervention in a sovereign country is justified in order to prevent the establishment of militaristic and totalitarian dictatorships which, if they can obtain a strangle hold upon their own people, can then embark upon aggressive policies abroad and inflict further wars upon mankind.

No one would deny that if the United Nations is to maintain world peace the future rise in any country of a régime similar to that of Hitler, of Mussolini or of the Japanese warlords must be

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prevented. It is equally plain that any government which deprives its nationals of their essential individual liberties, or which adopts policies that threaten the security or the legitimate rights of neighboring peoples, is a potential menace to world peace, and should not be permitted by the community of nations to continue to jeopardize the welfare of the rest of humanity. The issue here is whether actual or potential lawbreakers should be dealt with by the law enforcement agencies established by the entire community of nations, or whether they can equally safely be repressed by any individual state that possesses sufficient force for the purpose.

The community depends upon its police agencies to keep the peace within that locality, and to prevent the infringement of the legal rights of any individual member of that community. In any community where a police force exists, a citizen assuming the right to dominate his neighbor by force, save in self-defense, would himself be guilty of a breach of the peace. Any other system would spell anarchy.

The same principle must surely apply in the relations between the members of the family of nations. The United Nations exists. It is functioning. The Charter lays down with detailed precision the obligations and responsibilities of each member state. If the Security Council or the Assembly reaches the conclusion that the internal or external policies of any state, whether a member of the United Nations or not, represent a threat to world peace, or a menace to the legitimate welfare of other sovereign peoples, the United Nations is obligated to undertake such preventive measures, or such remedial measures, as circumstances may warrant.

Such action has already been taken in the case of the Franco Government in Spain. The specific measures adopted in this case were, of course, both stupid and ineffective. But the precedent was clearly established. The United Nations asserted its authority to condemn the nature and the policies of the government of a sovereign country and to take steps calculated to bring about its replacement, on the ground that that government constituted a menace to world peace and to the highest interests of the community of nations.

The United Nations has therefore already shown itself prepared to deal with the dangers specified by those who have been insisting upon the need for the abandonment of the doctrine of

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nonintervention. If the United Nations retains the exclusive right to interpose the necessary safeguards against such dangers it can also protect the family of nations from the equally grave danger that intervention may be undertaken to further the policies of aggrandizement and of domination of some one major Power. We would thereby likewise make certain that any demand for intervention would be publicly debated by the United Nations and that the salutary influence of world public opinion would be brought to bear before such a step was taken.

We pay much lip service here in the United States to the cause of international democracy. We complacently reiterate our official approval of "the principle of the sovereign equality of all states, large and small." Yet until the American people realize that the principles of democracy consecrated within their own Constitution, which grant to each citizen the fullest measure of individual liberty compatible with the welfare of the majority of his fellows, are equally essential to a democratic international order, we will continue to witness a continuing disintegration of the moral standards on which international law is founded.

Canning termed public opinion "a power more tremendous than was perhaps ever yet brought into action in the history of mankind." If we are to create a democratic world order in which the just rights of the weak are to be respected, American public opinion must awaken to the realities of this most urgent moment. It must make certain that this tremendous power now be exercised so that international morality may have a rebirth.

The conscience of the western world was first awakened to the moral issues underlying the doctrine of nonintervention by such great leaders of the British Liberal Party as John Bright. America needs a similar inspired moral leadership today. American public opinion must insist that this Government's policies further in practice, by the examples which they set, the creation of an order under which even the smallest nation will be secure from Great Power intervention, direct or indirect. There can be no free or peaceful world so long as any major Power can dominate its weaker neighbors.

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ECONOMIC LESSONS OF TWO WORLD WARS

By John H. Williams

THERE has been this year a growing sense of crisis in world affairs. In April the Moscow Conference ended in stalemate. In May, with the Truman Doctrine and the grants to Greece and Turkey, we took a stand against further Russian penetration in Europe, and presumably in Asia. On June 5, Secretary Marshall's Cambridge speech, a month after Dean Acheson's Mississippi speech, revealed our Government's recognition of the increasing gravity of the European situation and the need for prompt coördinated action. The Secretary's speech was seized upon on both sides of the Atlantic and overnight became the Marshall Plan.

Since then events have moved swiftly. Sixteen European nations, on the invitation of England and France, have accepted Secretary Marshall's suggestion that Europe must study its own needs and present a program of self-help which would provide a basis for planning further American aid. Russia has further revealed her hand by rejecting the invitation and forcing her satellites to do likewise, though some of them clearly wanted to accept, and she has threatened the rest of Europe with dire though vague consequences for their acceptance.

The European Committee is to report in September. Congress will not reconvene until January. But in the meantime, as I write, three committees (one a nonpartisan, nongovernmental group under the chairmanship of Secretary Harriman) are analyzing the American aspects of the problem, our available resources, the impact of further foreign aid upon our economy, and what our policies and actions should be.

With this time-schedule, American aid under the Marshall Plan cannot begin until next year, but since June it has become increasingly clear that the situation in some countries cannot wait. England and France have been rapidly running out of dollars. Our loan to Britain of July 15, 1946 ($3.75 billion) and the Canadian loan ($1.25 billion) had been designed to cover a five-year breathing spell in which Britain's trade position might be restored. According to the tentative time-schedule submitted by the British, it had been expected that the loans would be used up at a

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diminishing rate during the first three years, leaving two years more in which to develop a surplus in Britain's balance of payments before interest and loan repayments would begin. But by August 1 all but $1 billion of the American loan and half a billion of the Canadian loan had been used up, and the drawings on our loan in June and July alone had amounted to the astonishing total of $1 billion. It was this situation which, after a week of continuous Cabinet meetings, forced the British Government to bring in a drastic plan of self-help — involving the reimposition of wartime controls over labor and management and very substantial further reductions of imports and of government overseas expenditure — and to request a conference with our government concerning the convertibility and nondiscrimination clauses of the Anglo-American Financial Agreement.

The position of the French international balance has been even more critical. Though since May 1946 France has received foreign loans and credits of $3.2 billion (of which nearly two-thirds was furnished by our Government) only $600 million remained unused at the end of July, and the prospective deficit by the end of the year, after allowing for exhaustion of the loans, mobilization of French-held foreign investments, and the restitution of gold by Germany, was estimated at $600 million.[1] Such a deficit would more than exhaust the French gold reserve, which now has shrunk from $3.2 billion in August 1939 to $540 million, in contrast with the British gold reserve which at $2.4 billion is somewhat higher than before the war.

Meanwhile in Germany, where Allied policy has never really got out from under the Morgenthau concept of the "pastoral state," production is running at 35 to 40 percent of the prewar level. There is recognition that this situation also cannot wait for the Marshall Plan. In July a new and much more liberal directive was given to General Clay supplanting J.C.S. Order 1067, which with amendments had been in effect in the American zone since April 1945; and a British-American conference in Washington was scheduled for mid-August on the vital question of expansion of coal output in the Ruhr, which has been only half of prewar.[2]

[1] *The Economist*, August 3, 1947, p. 199.

[2] On August 9 the United States proposed to France "an early conference" to discuss French views on the American and British plans to raise the level of industry in their zones, and on the output and control of the Ruhr coal mines.

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II

While the Marshall Plan is being worked out — and the steps are being taken that cannot wait — we must try to clarify our understanding of the problem and our part in it. American reactions have been varied and have, I think, shown some confusion and misunderstanding. It is certainly true that our aid already has been large, some $10 billion in loans and credits and $5 billion in outright gifts. Our postwar exports (in part financed by these means) have equalled, and this year even exceeded, those of the war period, when our exports were financed mainly by Lend-Lease. During the first half of this year the outflow was at an annual rate of about $20 billion (nearly 10 percent of our gross national product), and the monthly surplus over imports was about $1 billion. Nothing like this has happened before in time of peace, though after the last war — for about a year and a half, when it ended in a serious slump — the outflow was relatively about as large.

One widely prevalent assumption seems to be that aid under the Marshall Plan will be put on top of these figures and will raise the level of exports and the export surplus to some higher magnitude. Can we stand the strain? Are we willing to? Will it involve a return to wartime controls? Would not undue strain on us react unfavorably upon Europe and make a bad situation worse? These are some of the questions that have been debated.

There has been some reference to the possibility of a "new isolationism," growing out of a feeling that the very magnitude of the undertaking proves its futility; it is useless to go on trying to hold up with American dollars a situation which grows largely out of Europe's continuing failures to straighten out its own political and economic affairs; further help from us will only mean further delay in Europe's coming to grips with its own problems; and for this we are not willing to burden further the American taxpayer or to resume wartime controls. It will be hard to say how much of this kind of sentiment there is until Congress reconvenes, in a session in which tax reduction will undoubtedly be one of the chief political issues. But it is clear that a convincing program of European self-help will be an essential condition of further American aid.

One possible danger in inviting 16 European countries to study their needs is that each may see its own needs more clearly than

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the problem as a whole, with the result that the program, if it is to satisfy all, may be larger than is warranted. There may be a similar danger in our own procedure of appointing committees to study our resources to see how much we can help. We take pride in doing things in a large way. Some of our official statements immediately following Secretary Marshall's speech seemed to carry an emphasis on bigness; and probably such an emphasis would not be unwelcome to many in Europe. There have been suggestions that the nation that could devise and carry out the Lend-Lease program ought not to balk at a large program of post-war aid; and in the House of Commons in July Mr. Morrison was reported to have suggested resumption of Lend-Lease to help solve Britain's problem.

With this emphasis on size in the interest of Europe has gone an emphasis (by some Europeans and by some at home) on the need of a large-scale program in our own interest. With our gigantic powers of production, the argument runs, we cannot, without such a program, make good our promises to sustain high employment at home. Mr. Bevin has been reported to this effect, and the Russians from the start have pictured the Marshall Plan as a capitalistic dodge to keep our own economy off the rocks. This line of suggestion fits well into the Marxian thesis that capitalism has an inherent tendency toward over-production and under-consumption. The fact that our large exports have been an important factor in our postwar boom — and were after the last war — appears to give the argument special point at present. The question whether this country, or any highly industrialized capitalistic economy, can sustain itself at high employment without special stimuli (large military expenditures, public works, an export surplus) was certainly one of the most debated between the two wars; but few economists believe that we can attain a condition of stable equilibrium in the world (and much that happened in the inter-war period bears on this) by using the outside world for leverage to sustain American employment. To pose the present European problem in these terms is to challenge us to turn our back on it and find the answer to our own problem of employment some other way, as in the end we must.

But for the present, at any rate, this emphasis on our need to export to support employment is mistaken. For a free economy we are exporting too much rather than too little; and with the large home demands still unsatisfied, American foreign aid fi-

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nanced by the taxpayer diverts to foreigners goods and services, and the money to buy them, which would otherwise be used at home. Taking home and foreign demands together, our present danger is one of over-utilization rather than under-utilization of American resources. Mr. Hoover has been quite right in saying we must not overstrain our own resources if we really want to help. Our exports have been one important cause of the rise of our price-level — a rise since June 1946 unprecedented in any equal peacetime period. The price rise has greatly increased the cost of European imports and has thus been an important factor in the dollar shortage. The British have said it has reduced the value of our loan to them by about $1 billion. Above all, we must avoid this kind of vicious circle. But should we do so by resuming rationing and price controls or by limiting our aid? And might we not again, as in the war, meet the strain in part by increasing output further, if we organized expressly for the task? It is around questions like these that much of the debate has revolved.

But there has been also a quite different approach. As against the view that European recovery will require a further large-scale program of American financial aid, it has been suggested that the dollar shortage — which is a way of putting the need for further American aid — has been much exaggerated. Official figures show that the outside world's holdings of gold and dollar balances are still about $18 billion, which is higher than before the war; and to these have been added estimates of some $10 billion of American loans and grants authorized but still unutilized. Such figures, though not inaccurate, give a wrong impression. Of our own contributions still unused, nearly two-thirds represent our share of the capital of the International Bank (only a small fraction of which has been called up) and our quota in the Monetary Fund. How much use can be made of these institutions in this situation is an important but a problematical question, and I will discuss it later. Of the remainder, a number of the items authorized do not bear on the situation in western Europe. In very large part also, the gold and dollar balances do not bear directly on the problem. Some large part, particularly in a time of world-wide inflation like the present, must be held immobilized as monetary reserves. Much of the rest is financing abnormally large exports to parts of the world outside of Europe, a fact that points to the need of retaining our export controls — as Congress so wisely did toward the end of the last session — and relieving the strain on

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our own economy by external rationing. The gold and dollar balances of the liberated countries of western Europe have shrunk from $5.4 billion just before the war to $2.5 billion in March 1947. The acute situation in France I have already described. England's gold reserves constitute her last line of defense; if sterling is to play its rôle as a world currency — and this has been an objective in our postwar planning quite as much as in Britain's — their draining away will need to be watched with very anxious care.

There may nevertheless be a tendency to exaggerate the magnitude of the problem. We seem to swing between extremes. Undoubtedly, as Secretary Marshall has said, European reconstruction is going to take longer and prove harder than had been assumed — though why we should have expected an early recovery is hard to say, since after the last war it took until 1925 for European production to get back to the prewar level, and the Second World War was much bigger than the first. But it is far from true that in the past two years European recovery has made no headway. In much of Europe there is nothing radically wrong that the solution of certain key problems and key situations would not cure. Production in the Scandinavian countries is close to or above the prewar level, though there are some balance of payments difficulties (notably in Sweden) which arise mainly from the disturbed conditions elsewhere. Belgium has made a brilliant recovery based in part upon a drastic anti-inflationary monetary program. Britain, though certainly one of the main sore spots, has pushed its production to 10 to 20 percent beyond the 1938 level. Holland, which also quickly instituted a monetary reform, has now raised its production to nearly 90 percent of prewar, and her main troubles stem (as do so many others) from the big hole in Germany, and also from the conditions in Indonesia. In France the recovery has been to about 90 percent of prewar production, and in Italy to 68 percent; in both cases the main trouble appears to be monetary inflation, and until that is cured the acute balance of payments difficulties are likely to remain. About the rest of Europe one cannot say much; we do not know much about what goes on behind the iron curtain. But our government has stated that neither Poland nor Hungary is in need of further relief, and there have been reports of marked industrial progress in Poland and Czechoslovakia. In southeastern Europe the bad economic and political conditions go back far beyond the last war, and quite apart from any attitude we may have toward

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the Russian satellites they can hardly be regarded as an important part of the immediate problem (or at any rate a part we can do much about). For Greece and Turkey we have already a program of assistance under way.

III

This brief survey will have served its purpose if it brings out the need for breaking the problem down into its parts. What are the specific situations and conditions the correction of which would set a European recovery in motion? In its general nature the present problem is not new, and perhaps what we need most of all is historical perspective. What did we do, or fail to do, after the First World War from which, looking back, we might get some guidance? We should consider not only the immediate postwar period but the whole experience between the wars. What we do now will affect international relations and the structure of world organization for a long time to come.

The first war produced profound maladjustments in the internal economies of the European countries and in their balances of payment. The United States was converted from a borrowing to a lending country. Germany's international position, by the loss of foreign assets, trade and shipping, was affected in the same kind of way as Britain's after this war. Most of the European countries had international deficits due to shortages of food, raw materials and other goods, internal inflation and the loss of foreign assets; there was the same kind of "dollar shortage" as at present, though on a smaller scale. England did not have a deficit but did suffer a loss of foreign markets and investments that marked the first undermining of her international creditor position, now dramatically completed by the second war.[3]

We had no plans for the transition from war to peace, beyond loans for relief, sales on credit of surplus war stocks, and governmental and bank credits to finance exports; after 1920 our Government withdrew from the financing of external aid and left the field to private lending. We refused to join the League of Nations or to sign the Versailles Peace Treaty. International developments

[3] An important thesis, held especially by those who think a multilateral trade world no longer feasible, is that the change in the position of Britain, around which nineteenth century world trade was organized, began well before the first war, and that the wars and the experiences in between have merely hastened it. There is, I think, much truth in this view, but I do not accept the conclusion that multilateral trade is no longer feasible. (See a forthcoming new edition of my "Postwar Monetary Plans and Other Essays." New York: Knopf, chapter 1.)

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in the twenties were dominated by the controversies over German reparation payments owed to our Allies and the war debts owed by them to us, and by the closely related large-scale outflow of American private capital. I shall not try to tell in detail the story of the reparation payments, the "final" London Settlement of 1921, which broke down within a year and was followed by the French invasion of the Ruhr, hyperinflation in Germany and other parts of Europe, and the complete destruction of the German currency; the Dawes Plan of 1924 and the Young Plan of 1929; the final breakdown in the great depression; or the parallel story of our refusal to recognize the interdependence of the war debts and reparations or accept a feasible settlement, and the final abandonment of the question in the great depression, though we have not yet cancelled our claims.

Granting the impossibility of compressing a decade into a few pages, we can find three outstanding lessons in the twenties. (1) Though food was supplied by relief organizations in the immediate postwar period, no international plan was developed to provide other goods, particularly raw materials, essential for European reconstruction. The problem was not faced as an international issue until the Brussels Conference of October 1922, when the Ter Meulen Plan for raw material credits was presented but failed to materialize. Countries were left to obtain raw materials and other needed goods out of their own financial resources and with their international positions already acutely in deficit. Our exports, initially very large, underwent a severe decline. Wartime controls in Europe, internal and external, broke down, prices rose violently, the foreign exchanges collapsed, tax receipts declined while expenditures increased, the deficits being covered by government demands upon the central banks until government credit collapsed, and monetary inflation undermined not only the power to produce but the social and political fabric of the Continent. (2) The reparation payments and the war debts, superimposed upon the already unbalanced international position, not only greatly intensified the external maladjustments and the internal inflation but for years kept international policy persistently pointed in the wrong direction. (3) The outflow of American capital served as the great counterweight; but I think it must be concluded, as we look back today, that though our capital exports alleviated, and on the surface in the last half of the decade even seemed to have cured, Europe's difficulties, in the end they intensified the malad-

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justments and contributed greatly to the severity of the world depression of the thirties. But this is a complex subject, and what to conclude for present policy is not an easy task.

As I have indicated, reconstruction in Europe came too late. It did not get under way until inflation had run its course. Though the first of the League loans, which did so much for the smaller countries of central and southeastern Europe, went into effect in Austria in October 1922, German reconstruction was not attempted until 1924 (the Dawes Plan), England resumed the gold standard in 1925, the French budget was balanced and the franc stabilized in 1926–28, and the Polish stabilization came in 1927. These were all parts of the attempt to restore the gold standard, which had broken down in the war, and with the controls removed had given way after the war to international currency chaos and internal inflation. Whether this attempt to reconstruct the world as it had been was foredoomed to failure because a world organization of the gold-standard, multilateral-trade type was no longer workable, or whether the new collapse was due to the specific errors committed — the long delay, the overvaluation involved in restoring the prewar pound (Keynes's "economic consequences of Mr. Churchill"), the undervaluation of the franc, the inclusion of reparation payments in the Dawes Plan, American protectionism and the Smoot-Hawley tariff — has been the world's most debated economic question ever since. It provides the key to much of the discussion of Bretton Woods and the International Trade Organization and its Charter.

The twenties were the big decade of American private international investment. It was our first experience and we did it badly. The optimism engendered by our long period of prosperity from 1922 to 1929, the high interest rates obtainable, the easy task of salesmanship distorted our vision and put the emphasis on the apparent profits rather than on productivity. The eventual losses have been an almost insurmountable deterrent to further private foreign investment ever since. The conclusion, however, that our capital exports were mistaken is easier to reach now than it was then. The restoration of the gold standard and balanced budgets and the large rebound in European production and trade that accompanied them in the last half of the twenties — and it was in that period that our capital exports were really large — were conditions calculated to invite investment, which in turn further stimulated production and trade. Between 1925 and 1929

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the world production of primary products rose by 11 percent, industrial production by about 23 percent and the volume of world trade by about 20 percent.

It is the occurrence of the great depression that makes the record look so bad — and the human propensity to rationalize history after the event. The question really raised is what caused the great depression, how much was it due to domestic developments within the United States (where it began and was most severe), and how much to international maladjustments that had been staved off but in the end were intensified by an extravagant wave of American foreign investment. This is a question that will probably never be settled, though I lean to the view that the causes were more domestic than foreign. It was apparent, however, even in the twenties that our capital exports to Germany were unduly large and in considerable part misdirected. It has been estimated that between 1924 and 1930 Germany borrowed from abroad, mainly from this country, about 30 billion marks. With these loans she was able to make her reparation payments under the Dawes Plan and to rationalize her industries and increase her capacity to pay. There was a body of respectable economic opinion which held that this was a logical way of solving the reparations problem so far as the German end of it was concerned, though it still left unsettled the questions whether other countries were really willing to receive the payments, whether Germany could make net remittances after the capital inflow had diminished, and perhaps above all (and this is a question which has entered into the present postwar discussion of German reparations) whether the rest of the world wanted to see Germany's economic power developed by this process. Between 1924 and 1930, by the aid of these loans, Germany not only built up her industries and paid reparations but increased her gold reserves, built up foreign balances and investments of almost 10 billion marks and, in addition, enjoyed a large surplus of imports despite the fact that she was paying reparations both in money and in kind. She also indulged in many extravagant expenditures at home. As the American capital inflow continued, it became increasingly short-term (roughly half of the whole was short-term), and, when finally the storm broke over Europe in 1931, it was the flight of short-term capital, first from Austria, then from Germany, and finally from London that precipitated the new collapse of the gold standard, drew three-quarters of a billion dollars of

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gold from our market in the five weeks following England's going off gold in September,[4] and led to a wave of hoarding of gold, internally and externally, round the world which did not end until our bank holiday of February 1933. This was followed by our own experiment of going off gold and devaluing the dollar — a chapter which did not end until the Gold Reserve Act of January 30, 1934.

The great dividing line of the inter-war period is the year 1931. Thereafter, the world increasingly turned its back on the gold standard and multilateral trade. The thirties were a period of greatly restricted international trade and investment. Neither really recovered from the blow of the depression. But the flight of short-term capital to this country continued, accompanied by an absorption of the world's gold on a scale much exceeding even the flight of short-term capital and gold of the early twenties. The first Roosevelt Administration was intensely nationalistic, at least in its early years, and must take its very large share of the blame for the failure of the World Monetary Conference of 1933, which was the last attempt, before the present, to stabilize world conditions of currency and trade by organized international co-operation on multilateral trade and currency lines.

The broad fact about the thirties was the turning away from multilateral trade and the search for internal stability and security even at the expense of international trade. We watched it go through its various phases, the leaning toward autarchy, the depreciation of currencies that ended only in a vicious circle, the spread of restrictive trade and currency devices — bilateral clearing agreements, quotas and other direct import controls, exchange controls. One of the large issues in economic thinking is whether the events and the policies of the thirties, including our own, were inevitable against the earlier background, and whether — looking not merely at the depression and what may have caused it but at the whole sweep of change in world organization and relationships which many, especially in Europe, trace back even beyond the First World War — the meaning is that the nineteenth century kind of world has disappeared, and we have been making the mistake repeatedly of vainly trying to set it up again. It is clear that in the beginning the whole movement was involuntary and defensive; it grew perforce out of the contraction of trade in the depression, the panic flights of short-term capital,

[4] *Cf.* John H. Williams, "The Crisis of the Gold Standard," FOREIGN AFFAIRS, January 1932.

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and, as the Hitler menace grew and war approached, out of political insecurity. But deeper-seated forces have also been suggested, such as a growing lack of balance in the world between agriculture and industry and the cumulative advantage of the United States in world trade, based on our comparative self-sufficiency, rapid technological progress, and the strong foreign demand for our consumer durable goods and capital goods.[5] It is perhaps these broader considerations that have given currency to the phrase "chronic dollar shortage."

One final circumstance to be mentioned is Secretary Hull's attempt to combat the tide by his trade treaties. The restrictive trade and currency practices of the thirties were frankly discriminatory. They represented an attempt to balance accounts between individual countries, a method which obviously gives much freer play than multilateral trade for protecting the internal economy against external strains, and is the logical counterpart of the movement toward internal economic planning. The Reciprocal Trade Agreements Act of 1934 was an attempt at compromise along lines now being carried forward in the discussions of the International Trade Organization and its Charter. As a step toward restoring multilateral trade, it sanctioned bilateral trade agreements based on the principle of nondiscrimination, which was a reassertion of the most-favored-nation principle that had previously characterized our tariff policy.

As we look back over the inter-war period, it seems clear that the generalization often made that the wave of nationalism following the war wrecked the peace needs elaboration. The chief mistake, which certainly was nationalistic, was our refusal to join the League of Nations, which Wilson hoped would overcome the imperfections of the peace treaty. Much of the bargaining among the European countries at the peace table was nationalistic and

[5] See my paper, "International Trade with Planned Economies: The ITO Charter," in "Postwar Monetary Plans and Other Essays," *op. cit.* The imbalance between agriculture and industry has been especially emphasized by some foreign economists. They trace it back before the first war and emphasize its impairment of the complementary character of world trade characteristic of the nineteenth century expansive phase; the rate of growth of population in Europe was declining; European investment had resulted in more primary production abroad than Europe could absorb. The first war (like the second) greatly expanded non-European agricultural output, and when European agriculture was revived in the twenties (and protected) the terms of trade turned increasingly against the agricultural countries. See, for example, H. W. Arndt, "The Economic Lessons of the Nineteen-Thirties," 1944 (issued under the auspices of the Royal Institute of International Affairs), and Sir Hubert D. Henderson, "The International Economic Problem," Stamp Memorial Lecture, 1946. For an analysis of England's changing position, which suggests that she must turn increasingly inward, see Sir Henry Clay, "Britain's Declining Rôle in World Trade," FOREIGN AFFAIRS, April 1946.

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paved the way for our isolationism. But the failure to organize the transition from war to a normal state of peace was probably largely due to ignorance. The world had never had such a war and was slow to appreciate what conversion to peace involved. The attempts to collect reparations and war debts were understandable, and perhaps we had to go through those experiences to find out their economic consequences. The attempt at reconstruction, though much too late and involving many mistakes, was nevertheless, in its broad outline, the kind of attempt that most of us, at least in this country, would want to make again. The depression presents the most difficulty; I can only repeat that I think it was primarily of American domestic origin, though with many complicating international circumstances. It brought down the whole house of cards, and the possibility of its recurrence is probably today the chief holdback round the world against the kind of world economic organization we would like to recreate. The real period of nationalism, so far as trade and currency are concerned, was the thirties, and, looking to the longer future, it raises the hardest questions that our postwar planning has to face.

IV

Looking at our present problems in the light of this background, we can see that in various ways the postwar record has been better. We have joined, and helped to create, the United Nations. We have given much time and thought to the creation of international institutions — the Monetary Fund, the International Bank, the International Trade Organization and its Charter — which look toward the restoration of multilateral trade and currency arrangements and the reduction of the restrictive trade and currency practices of the thirties. We have made the loan to Britain. We helped to organize UNRRA and made the largest contribution to it. The Export-Import Bank has loaned extensively to meet the needs of other countries for raw materials and other American goods. Our Government has provided some $10 billion in loans and $5 billion in gifts, and there is a considerable further amount authorized but unutilized; this year's budget already provides for some $4.5 billion of foreign expenditures. In addition, we have been engaged in international exploration of many questions — food, the atomic bomb, and many others.

In a number of respects, the world has embarked upon postwar

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reconstruction under better conditions than last time. As a point of departure, the restrictive trade and currency devices of the thirties, which were much strengthened during the war, have been an advantage rather than an evil. We have not had the wildly fluctuating foreign exchange rates. Exchange controls, nonconvertibility of currencies, direct import controls have been retained for the transition period, though profoundly modified in the single case of Britain by the Anglo-American Financial Agreement. The lesson of the perverse and often destructive movements of capital in the inter-war period — especially the short-term balances — has been learned, and the Fund Agreement provides for the permanent retention of exchange control over capital transactions.

There will be no problem this time of Allied war debts owed to this country. Lend-Lease, it was always recognized, was a glamorous name for outright grants, and the accounts have been settled (except for Russia), though we might well have thrown in the amounts remaining after the war instead of converting them into loans. But in England's case there is an accumulation of some $14 billion of external debt; in magnitude it is fully comparable with the reparation payments or the inter-Allied debts last time, and may well give rise to problems not dissimilar. As to reparations, the attempt to collect them has not been given up but has taken a new form which may avoid the transfer difficulties but raise others not less serious. Before, the main danger was that to develop Germany's capacity to pay reparations out of current output would make her too strong; now the danger is that the collection of reparations out of Germany's physical capital will make her too weak for the economic good of the rest of Europe, her own population, and ourselves so long as we have to go on paying the bill by relief expenditures in Germany.

In some respects we have made the same mistakes as before. We have submerged the concrete in the abstract, the short-run in the long-run. We have thought too much in terms of broad (and even doctrinaire) principles and not enough about the kind of world to which they would apply. We have been preoccupied with organizational forms and procedures which could operate successfully only when more normal conditions have been achieved. We have, in other words, failed again to appreciate the difficulties of the transition period or provide an adequate program for dealing with them. We have not thought enough in terms of the

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key situations or conditions the correction of which would go far to produce a general recovery.

So far as conditions in western Europe are concerned, the decisions about Germany must supply the largest part of the answer to what is wrong. It was probably a mistake to take up the minor peace settlements before the major one, but it would probably have taken time anyway — the experience with Russia as it has unfolded, and the mounting pressure upon Germany's neighbors which has been the consequence of the protracted economic stagnation in Germany — to bring the issues to a head. I cannot attempt to describe the nature or the causes of the stalemate,[6] the Russian insistence on reparations before unification, the French insistence on a settlement of Germany's western border and on international economic administration of the Ruhr before unification, the lack of balance between industry and agriculture created by the loss of territory to Poland and Russia, the failure to achieve any kind of integrated economy (though there is now joint administration of the American and British military zones) which has probably done more to impede recovery thus far than the plant removals on reparations account, the very low "level of industry" formula agreed upon in March 1946 in fulfillment of the Potsdam Agreement, and the part played in it by the Morgenthau conception of the "pastoral state." Still less can I undertake to outline a program of correction, but it is clear that the solution cannot wait for the Marshall Plan, and it is heartening that Anglo-American discussions (to be followed apparently by discussions with France) are under way on the problem of Ruhr coal. Coal and transport appear to be the key problems in western Europe; their solution would go far to hasten general recovery.

For the rest of Europe, we must await the plans of the Committee for European Economic Coöperation. But there is a strong presumption, I think, that if the German problem is wisely handled, they should not, in Europe's own interest, involve very large-scale American financial aid. France, as I have indicated, has an acute balance of payments problem, and further loans will probably be needed by Holland, Italy, Austria and others. One important question is how much the International Bank can help, and whether the risks will be of a kind that the Bank can under-

[6] For excellent accounts see Mr. Hoover's Report No. 3 to the President on his economic mission to Austria and Germany, *The New York Times*, March 18, 1947; and E. S. Mason, "Has Our Policy in Germany Failed?" FOREIGN AFFAIRS, July 1946.

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take. Another is how much other European countries better situated (notably Switzerland) can help. But the main point, I think — and this a lesson from the inter-war period — is that the difficulties cannot be solved merely or mainly by American dollars.

A basic difficulty is the widespread inflation. It has taken this time a new form, which has gained the name "suppressed inflation" in contrast to the open inflation that ran through Europe in the twenties. It is most marked in Germany and England, the French and Italian inflations being something between this new kind and the old. It is a deficiency of goods and a superfluity of money — as inflation always is — but operating under direct controls over prices and quantities, with the result that excess purchasing power continuously seeks to find an outlet, which in turn requires further extensions of controls. With prices held down, stocks of goods are in a state of acute depletion, and labor and buying power are drawn off into employments using less vitally necessary stocks of goods or none at all. The labor unions exploit the shortage of labor in essential industries to extort more pay for less work, and at the same time the premium on leisure is maximized because money wages buy less. Farmers have no incentive to bring their goods to market, and, as Secretary Marshall said, the town-and-country basis of a healthy economy disappears. This is a harder kind of inflation to deal with than the old one, which did at any rate burn itself out; it is likely to be more prolonged and much more dangerous to democratic institutions. It could lead to a kind of creeping stagnation with no outcome except a revolutionary change in economic and political forms. It greatly intensifies the balance of payments deficits by reducing goods available for export and creating an acute need for imports. This is a problem with which the European countries themselves must deal. One good first step would be to extinguish or immobilize the money "overhang" in the way Belgium and Holland did, or by some plan like (though I hope simpler than) the Colm-Dodge-Goldsmith Plan drawn up by our experts for Germany.

One further comment should be made on the task of the European committee. A situation like the present creates great pressure toward the integration of Europe within the territorial limits which Russia's attitude imposes. There has been talk of the Marshall Plan versus the Molotov Plan. In view of the predominantly agricultural character of eastern Europe and the concentration of

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industries in the west it is difficult to believe that the economic relationships will not in the end prevail. As Mr. Stassen has urged, the door must be left open. I am skeptical of anything so formalized as a western European economic bloc or a customs union, though there is much that the western European countries can do to lessen trade barriers between them, better integrate their interchange of goods and services, improve transportation and the mobility of labor. If Europe could make itself self-sufficient in fuel alone, as it used to be, that would be a great step forward and would go far to improve the balance of payments difficulties.

V

As Germany is the key to recovery on the Continent, England presents the central problem so far as the restoration of multilateral trade and currency arrangements is concerned. I have referred already to the revolutionary change in Britain's international position wrought by the war. It seemed to me clear long before the war ended what this change would mean for the problem of postwar reconstruction, and I sought in my earlier articles[7] to give it priority over Bretton Woods or any other postwar question. In my view, we lost two years between the time the Keynes and White Plans were announced in April 1943, and the time the Anglo-American loan negotiations were begun in the last half of 1945, that might better have been devoted to the exploration of the British problem. Before we got to it, both our own and the British experts working on the Monetary Fund had been led to minimize the importance of a separate handling of the British problem and much of the spirit of wartime coöperation had been lost. The solution arrived at was, in my opinion, inadequate for the problem. We should have made a gift rather than a loan — perhaps at an earlier date we could have agreed, as I suggested, upon an extension of Lend-Lease for this special purpose. But the thinking in both countries had been led into other channels.

I will not attempt in the brief space remaining to analyze the British loan negotiations. Our chief fault was not in the loan itself — though the repayment with interest on top of the liquidation of Britain's external war debt constitutes a problem of which I cannot see the outcome — but in the conditions attached to the loan. I suspect they were due not only to the fear of Congressional disapproval of anything that did not look like a good commercial

[7] Foreign Affairs, July 1943, January 1944, October 1944.

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bargain, but to the feeling that we had been too lax in our treatment of convertibility of currencies and exchange controls at Bretton Woods, and saw an opportunity to use our power to promote our traditional doctrine of nondiscrimination at the expense of a borrower who had no choice but to accept our terms.

The rationalizations of the Financial Agreement and the predictions about the British and American balances of payment by both the American and the British negotiators, including Lord Keynes in his posthumous paper,[8] were much too optimistic. In part the disappointing result has been due to the British fuel crisis last winter and to the rise in the American price level. But it was apparent last fall that the rise in British exports, which had been pronounced since the fall of 1945, was tapering off. In part, the difficulties are Britain's own, an outgrowth of the "suppressed inflation" I have described. There is a question, too, how much the failure to live up to the anticipated schedule of reduction of the British deficit may have been due to the internal program of nationalization and economic planning. But that this was a major cause seems dubious, except for such things as the large-scale building program and the stimulation of consumption by the food subsidies, both of which any other government would probably have felt forced to undertake. The fact is that the situation that has developed is such as to require a changed attitude not only by the government but by the whole country toward its way of life — and this by a country that has not yet got out of the war, though it was on the winning side.

The main trouble is that the external pressures and obligations are too great, and it is not clear how they are to be brought within Britain's capacity to bear. The largest item, I think, is the overseas expenditure, which in 1946 accounted for three-fourths of the total international deficit of £400 million.[9] Britain has reached the point where her foreign commitments, military and financial — including her equal sharing with us of expenditures in Germany, the size of her armed forces abroad (and at home) and other expenses — must be sharply cut. When that has been done, the maintenance of the home economy, with whatever export-import relation that may entail, is unavoidably her own problem, though it will surely require a further loan to cover the transition period.

[8] "The Balance of Payments of the United States," *Economic Journal*, June 1946.

[9] "National Income and Expenditure of the United Kingdom, 1938 to 1946," Cmd. 7099, April 1947.

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It seems certain that Britain will require a freer hand in governing her international trade and currency relations. This is the point of her request for a new discussion of the convertibility and nondiscrimination clauses of the loan agreement. It is clear now that these clauses were premature. Convertibility of sterling is desirable as soon as it is feasible, if sterling is to play its rôle as a world currency; and nondiscrimination is the right ultimate objective if we are to succeed in restoring a multilateral system of world trade. But applied prematurely they defeat their purpose. So far as can now be estimated, the drawings on the British loan in recent months much exceed the requirements of Britain's own international deficit; and it seems evident that convertibility has become a means of funneling a considerable part of the world's demand for dollars through London.[10] Nondiscrimination under present circumstances may become a weapon throttling international trade: if countries cannot buy from us they may not be permitted to buy from each other even though they have the money or the goods to buy with. The British complain, too, that nondiscrimination works one-sidedly; we feel free to resort to "tied loans" but object to "tied trade," the matching of exports and imports between pairs of countries; we discriminate also in favor of our shipping — an industry that on grounds of comparative cost might better be left to other countries.

VI

It was not my purpose in this paper to present an American program. I have tried to draw some lessons from the developments after the two wars that might help us chart our course. We shall need to provide further financial aid, and as much as the conditions warrant. But the conclusion as I have drawn it is that American dollars should not be the main reliance. The condition of "world dollar shortage" is not at present a general condition but a special one in specific countries. It is a consequence of failure thus far to develop adequate production (and to restrict home buying power). Our function should be to assist and alleviate the process, but with assurance that our aid is to be co-

[10] On August 13, a new drawing of $150 million on the loan was announced, and on August 20 a further drawing of $150 million, reducing the amount remaining to $700 million. On the latter date the American and British Governments, by the publication of an exchange of letters between the Chancellor of the Exchequer and the Secretary of the Treasury, announced the suspension of free convertibility of sterling into dollars. On August 21 Britain gave notice that it would draw $300 million more on August 25 and 29 to cover the import commitments already made and would temporarily freeze the remainder of the loan ($400 million).

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ordinated with self-help in a way that will avoid its merely postponing the adjustments that only the European countries themselves can carry through. I doubt the need of internal rationing or the feasibility of a return to price control, though I believed in 1946 that a flexible price control, such as many favored, would have been better than the more rigid system the Administration insisted upon, and much better than the virtually complete absence of control which in the past 15 months has resulted in the great rise of prices that has increased the cost to Europe of our exports. It seems probable now that the price rise has mainly run its course. We can help keep prices down by rationing exports to the countries that need them less and whose demand for them has been strengthened by their abnormally large gold and dollar holdings (the counterpart of our own domestic wartime savings). Throughout the whole experience since 1918 runs the lesson that we must concentrate on the key situations and conditions, correction of which would promote a general recovery and the kind of world trade organization we are seeking to restore. If we do this intelligently, I think our exports and our export surplus will be less in future than they have been the past two years, and will be more effective.

As I said earlier, much of our effort has been directed toward long-run objectives, toward the devising of international trade and currency organizations which can function effectively only after more normal conditions have been restored by other means. This is true of the Monetary Fund and of ITO. Only the International Bank can be regarded as properly having transitional as well as long-run uses. In my FOREIGN AFFAIRS paper in October 1944 I urged that the Bank's purposes be broadened to include stabilization (or general reconstruction) loans in addition to the "specific projects" that the Bank's articles of agreement emphasized. This purpose was included by Congress in our Bretton Woods Agreements Act and accepted by the Bank; it was the basis of the loan of $250 million to France last May. The Bank should be used to the maximum possible in this situation, and also the Export-Import Bank, which now has about $1 billion of free funds. Though it would undoubtedly strain the logic of the Fund, and the present restriction of its loans to "seasonal and cyclical" purposes, we should explore thoroughly the possibilities of using it. Whatever may have been the intention when the Fund was set up, there is something incongruous in the spectacle

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of an institution which now has about $3.2 billion of gold and dollars merely standing by.

On our trade and currency policy, a number of true but familiar things might be said. As a creditor country we must be willing not only to invest abroad but to import the goods our capital creates. But this is for the future; foreign production is now so low, relative to foreign needs, that our imports are limited by scarcity rather than unwillingness to import. More relevant to present problems is our attitude toward the ITO Charter and related currency questions. These are matters calling for tolerance and wise understanding of other countries' difficulties. We face the task of creating a workable system of trade and currency in a very mixed world, a system acceptable to both free and planned economies. It will have to be an evolutionary process. We must start from where we are and not try to impose some system ready made. To the extent that we put pressure on other nations to give up their present arrangements before we are prepared to offer better ones, we are likely to increase the cost to ourselves of reconstruction. For the transition period, and perhaps some time thereafter, our attitude toward bilateral agreements and discriminatory practices will have to take account of circumstances. The question to be asked should be whether they are likely to encourage a growth of trade or the opposite, rather than whether they violate the pure principles we seek to promote.

Above everything, the world is looking to us to maintain stability at home at a high level of output and employment. As I said earlier, it was the great depression of the thirties that caused other countries to turn their backs on multilateral trade and seek security in protective trade and currency devices. It is the fear of recurrence of depression here that constitutes today their main reservation against our trade and currency plans. But we are far from agreed among ourselves as to how domestic stability can be maintained, and the most relevant and hopeful aspect of the matter is that, looking beyond the present inflation and its correction, we seem to have a good prospect of sustained high production and employment for some time ahead. In any event, it does seem clear that the greatest contribution we can make toward preserving our kind of economic system, here and elsewhere in the world, will be through the maintenance of a stable and prosperous economy at home, coupled with a liberal and constructive trade and investment policy abroad.

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THE OPEN DOOR IN CHINA: A REAPPRAISAL

By Walter H. Mallory

FOREIGN policy is influenced by persons in government, and may be influenced by persons outside government, but only in a superficial sense is it "made" by them. It is the product of geographical, political, racial, religious and economic forces, some of which may change but most of which are constant, and which play upon a people until they take an attitude toward the rest of the world. That attitude may be aggressive or submissive or coöperative. It may be "right" or "wrong." It may lead to success or failure. Political leaders do not create it so much as stimulate and direct it. Hitler did not make the Germans aggressive; Churchill was not the architect of British steadiness; nor did Roosevelt make the Americans economically powerful, mercurial, warm-hearted — I leave it to our friends or our enemies to supply the characterizing adjective. Each successful political leader knows instinctively what his people are, or what they want; and, for better or worse, leads them in the direction that the vast majority of them want to go.

Is there any area of foreign policy today in which such considerations are so relevant as in our policy toward China? China is in process of profound political and economic change, but change there comes tortuously and slowly. In Chinese-American relations, then, it is particularly necessary to provide for the long haul. Many persons say that we have no settled policy toward China, and they are forever calling on the State Department to "make up its mind." But they confuse policy with the day-to-day conduct of affairs. Press dispatches, even official communications, sometimes obscure the pattern. One does nevertheless exist, despite temporary variations, and it goes back 150 years. The American policy toward China was well conceived originally, I believe, because it accorded with the fundamental attitudes of the American people; and it is precisely because the present situation in China is so unsettled and perplexing that this is the very time for us to emphasize its validity and use it as the yardstick for measuring all our day-to-day decisions. The basis of that traditional policy is, of course, the Open Door. What have those familiar words stood for and what do they signify today?

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II

The policy was essentially commercial in origin. Intercourse between China and the United States began in the early days of the Republic — the clipper ship era. The possibilities of the "China trade" caught the imagination of New Englanders long before the industrial revolution. At first it was the desire for tea and silk and chinaware that led our ship captains to undertake the arduous voyage around the Cape of Good Hope and across the Indian Ocean to Canton. For exchange they took to China furs and cotton, lead and ginseng. From small beginnings the trade grew steadily, but never as fast as China's vast population and need for goods seemed to warrant. In the development of this trade there were three courses open to the United States. We could have sought exclusive arrangements, concessions and bilateral deals; we could have avoided official action and have left our traders to secure what business they could by their own efforts; or we could have demanded "most-favored-nation treatment" for our businessmen — *i.e.*, trade on a basis of equality and reciprocity, whereby privileges extended to any nation are extended to all. This was the system which was the most favorable for us, and the one which we championed, here as elsewhere. Of China's total foreign trade, the proportion which went to the United States grew constantly, until in 1937, before hostilities between Japan and China began in earnest, the United States led all other nations, taking 27.59 percent of China's exports and furnishing her with 19.75 percent of her imports.

Thus, in the Treaty of Wanghia, concluded by Caleb Cushing in 1844, equal trading rights for the United States were secured. But our policy was not clearly defined until the latter years of the century. Due to the weakness of China and the encroachments of European countries which were carving out for themselves special spheres of influence, it seemed clear that freedom of trade over wide areas would be denied not only to the United States but to other countries as well. It was then that Secretary of State John Hay successfully elaborated and carried through what came to be known as the "policy of the Open Door."

Let us recall the state of affairs at that time. China had been defeated by Japan in the war of 1894-5, Russia had occupied Port Arthur in Manchuria, Germany had obtained a foothold in Shantung, England had secured Wei-hai-wei and was strong in

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the Yangtse Valley, France was in control of Kwang-chow-wan in South China, and Italy was endeavoring to gain a position on the Chinese coast. Each of these areas was the center of a "sphere of influence" or "interest" which seemed likely to be made the exclusive province of the traders of one nation.

Secretary Hay's purpose was to safeguard the most-favored-nation trading rights which the United States had secured by treaty with China in Chinese territory wherein foreign nations claimed special interest or influence. He, therefore, on September 6, 1899, sent notes to Great Britain, Germany and Russia, and subsequently to Japan, Italy and France. The note to Britain contained the following passages:

> The present moment seems a particularly opportune one for informing Her Britannic Majesty's Government of the desire of the United States to see it make a formal declaration and to lend its support in obtaining similar declarations from the various Powers claiming "spheres of influence" in China, to the effect that each in its respective spheres of interest or influence —
>
> First. Will in no wise interfere with any treaty port or any vested interest within any so-called "sphere of interest" or leased territory it may have in China.
>
> Second. That the Chinese treaty tariff of the time being shall apply to all merchandise landed or shipped to all such ports as are within said "sphere of interest" (unless they be "free ports"), no matter to what nationality it may belong, and that duties so leviable shall be collected by the Chinese Government.
>
> Third. That it will levy no higher harbor dues on vessels of another nationality frequenting any port in such "sphere" than shall be levied on vessels of its own nationality, and no higher railroad charges over lines built, controlled, or operated within its "sphere" on merchandise belonging to citizens or subjects of other nationalities transported through such "sphere" than shall be levied on similar merchandise belonging to its own nationals transported over equal distances.

Considering the temper of the time, when many European Powers were intent on "slicing the Chinese melon," it seemed unlikely that Secretary Hay's bold move would be successful. But the fact that the provisions of the agreement applied to all nations gave each an interest in checking the growth of monopoly privileges. Consent from the other Powers finally came. The arrangement designed to guard the rights and increase the opportunity of American traders was a strong factor in checking further encroachments on the territory of China by other states.

Along with the problem of expanding trade with China, there was the problem of protecting the lives, property and interests of

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Americans there. It was not an easy one. In the early part of the nineteenth century China was a hermit nation. She had scarcely any intercourse with other peoples and desired none. Foreigners who sought to trade were segregated in Canton and had no association with the Chinese except for business. Foreign women were not allowed in China, even in the area set aside for foreign residence.

The British were more forceful than the Americans in breaking down Chinese aloofness (though Caleb Cushing in 1844 was escorted to China by four naval vessels). In the late 1700's and the early 1800's the British sent emissaries to the Imperial Court in Peking. They were treated as tribute bearers, and the Son of Heaven refused to recognize Great Britain or any other foreign nation. It was not until 1842, following the "opium war" with Great Britain, that Canton, Amoy, Ningpo, Foochow and Shanghai were formally opened to British trade. Although the United States did not engage in the war, she demanded and gained in 1844 equal standing with the British in respect to the treatment to be accorded her citizens. Americans were permitted to establish homes in the five treaty ports, to open consulates there, and even to establish churches and hospitals. The American-Chinese Treaty of Wanghia went further than the Anglo-Chinese treaty by stipulating that Americans who committed any crime in China would be subject to trial only by the American consul — a provision made essential by the difference in legal concepts between China and the west. Thus was established the beginning of extraterritoriality in China — a system to which the Chinese did not object at the time but which, when shared later by almost all other countries, they found increasingly irksome. Extraterritoriality was finally abolished by treaty in 1943.

The application of the Open Door policy led to a conscious effort by the United States to help China become a free, strong and united nation. In that endeavor our effort has been sincere and persistent. We have helped whenever an outsider might do so with propriety and effectiveness. While the Open Door policy in China assured to Americans equal commercial privileges even in the areas where the other Great Powers had spheres of influence, it had long been felt by the United States that even better conditions for trade would result if foreign nations had no spheres of influence at all, and if the Chinese Government were to administer all the territory over which it had at least nominal

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suzerainty. As early as 1853, Humphrey Marshall, the American Commissioner, had said: "The highest interests of the United States are involved in sustaining China . . . rather than to see China become the theatre of wide-spread anarchy and ultimately the prey of European ambition." This was the inception of the idea that the United States should not only respect Chinese sovereignty but should actively help China in setting her house in order. This basic concept has constantly guided our relations with China and with the other Powers which have had interests there. But it was not until the Washington Conference of 1922 that international acceptance of this elaboration of the Open Door doctrine was secured. Article I of the Nine-Power Treaty, signed by Belgium, China, France, Great Britain, Italy, Japan, the Netherlands, Portugal and the United States, provided:

> The Contracting Powers, other than China, agree: 1, To respect the sovereignty, the independence, and the territorial and administrative integrity of China; 2, To provide the fullest and most unembarrassed opportunity to China to develop and maintain for herself an effective and stable government; 3, To use their influence for the purpose of effectually establishing and maintaining the principle of equal opportunity for the commerce and industry of all nations throughout the territory of China; 4, To refrain from taking advantage of conditions in China in order to seek special rights or privileges which would abridge the rights of subjects or citizens of friendly States, and from countenancing action inimical to the security of such States.

Other clauses in the Agreement pledged the signatory Powers to respect the principle of equal opportunity of trade.

In the years since 1922 the Nine-Power Treaty has twice been broken — by Japan when she attacked China in 1931, by the United States and Great Britain when President Roosevelt and Prime Minister Churchill at Yalta agreed that Russia should resume her special sphere in Manchuria as the price of her entry into the war against Japan. (Incidentally, Russia's earlier occupation of Port Arthur had been a strong factor in prompting John Hay to act nearly 50 years ago.)

The closest we ever came to war with China was during the Boxer Rebellion in 1900, when American troops were sent to Peking along with those of other Powers for the relief of the Legations which were besieged by the Chinese. Since the citizens of several of the western Powers were also the object of the Chinese attack, there was danger that the policy of the Open Door might be set aside. Secretary Hay strove to prevent the emergency from being made the excuse for war or for new demands upon

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China. In a note sent in the name of President McKinley to the other Powers, he said that the purpose of the United States was to limit its intervention to the restoration of order and the protection of American rights, to "bring about permanent peace and safety to China, preserve Chinese territorial and administrative entity, protect all rights guaranteed by treaty and international law, and safeguard for the world the principle of equal and impartial trade with all parts of the Chinese Empire."

The Boxer settlement in 1901 provided that the Powers should henceforth be permitted to maintain troops in Peking and Tientsin, and to keep the railway open from the capital to the sea; and the United States maintained garrisons there until the outbreak of World War II. American troops have also on occasion been sent to Shanghai for police purposes and the Navy has maintained a patrol of gunboats on the Yangtse River for similar reasons. Thus the lives and property of American citizens have been assiduously protected in China, but never have disorders there been used by the United States as a basis for war or for exactions which were a threat to China's independence or well-being.

As is well known, the balance of the United States' share of the Boxer indemnity, after private claims had been paid, was returned to China to finance scholarships for Chinese students in American universities.

In a word, then, the keynote of the American policy has been friendship. Friendship between China and the United States has been mutual and, despite periods of temporary distrust such as that occasioned by the passage of the exclusion act, genuine. It has been possible because of an identity of basic aims. Both China and the United States have wanted peace, neither has had aggressive designs against the other, both have wanted trade.

The Open Door policy has not been carried out in a vacuum. It has been a practical response to a concrete situation. But it has had behind it the weight of interest of both nations, and has been in keeping with the general attitude of Americans toward the Chinese people. It won for us the friendship of the Chinese and it played a major part in helping to bring to birth the new China.

III

No nation can solve the internal problems of another, and the traditional American policy in China, beginning with insistence upon the Open Door for trade and developing to include assist-

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ance for China's effort to become free, strong and united, by no means resolved Chinese domestic difficulties. No one supposed that it would. But by casting our weight on the side of China's freedom over a considerable period of time we unquestionably have helped China advance toward that goal. The Chinese Republic came out of the Second World War in a greatly strengthened external political position. With the abolition of extraterritoriality, China regained her unqualified sovereignty for the first time in more than a hundred years. With the exception of Outer Mongolia, to which China was forced to grant independence, and the much more important provinces of Manchuria, where she has been compelled to give the U.S.S.R. a special status, all territory of China is now controlled and administered by the Chinese. (It may be argued that the special status of Manchuria legally does not violate Chinese sovereignty, but in effect it obviously does.) China's inclusion among the Big Five, with a permanent seat on the Security Council of the United Nations (which the United States warmly supported), was the hallmark of this political triumph.

It is proper to note, moreover, that in the field of domestic affairs China seemed to be making heartening progress in the years before the Japanese attack in 1937. Despite Japan's conquest of Manchuria and her infiltration in north China and along the coast, and despite the inability of the National Government to conclude the struggle with the dissident Communist faction, the area administered by the established Government of China was larger than it had been at any time since the revolution. The financial and economic position of the Government was becoming stronger and showed prospects of further improvement. That, of course, is why Japan dared not postpone any longer the execution of her plans of conquest.

The Second World War lasted eight years for China, and at the end of it China was shattered. It is not fashionable at the moment to recount her miseries. Perhaps it is natural also that there should be a reaction from the extremes of admiration and gratitude which were expressed for Chiang Kai-shek in the war years, and for the Chinese people whose strength of will and powers of endurance he marshalled. In any event, not only were China's financial and political arrangements unable to withstand the explosive and destructive effects of eight years of conquest and resistance, but China's morale was also greatly impaired.

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The civil war which seemed to be only flickering towards the end of the thirties is now flaring. The Communist régime displays the attributes of Communist régimes everywhere — conscienceless propaganda against its opponents, fifth-column activities in areas which it aims to acquire. The Nanking Government has retaliated with terror on its own account. We are told constantly that it is inefficient and corrupt and it obviously does not have the strength to tackle the reform measures which must precede the establishment of economic and political health.

This being the case, what is the American interest in China today, and what policy seems most likely to secure it?

Economically, our immediate and discernible stake in China is not great. The standard of living of the Chinese people has been so low that, despite her enormous population, China's foreign trade has been relatively small, and conditions in the country have been so unsettled that it has not offered a good field for American investment.

In 1933 Professor C. E. Remer listed our investments at less than $240,000,000 — business investments $155,000,000; American holdings of Chinese securities and obligations of the Chinese Government $41,000,000; and missionary and philanthropic properties $43,000,000. During the war years, and since, American funds have been poured into China at an unprecedented rate and to a total of nearly three and a half billion dollars. The financial help since V-J Day breaks down as follows: [1]

Lend-Lease as of December 31, 1946 [a]	$747,000,000
Export-Import reconstruction credits authorized	49,800,000
Export-Import cotton credits	33,000,000
UNRRA	481,000,000
FLC surplus property credits	35,000,000
Maritime Commission ship's sales credits	16,500,000
Surplus property at original procurement cost [b]	824,000,000
	$2,186,300,000

[a] Shipments subsequent to this date are of minor importance.
[b] Sold for $175,000,000.

[1] We are here discussing China policy, not the wisdom or unwisdom of measures taken to win the Second World War. For example, the State Department has been criticized because Lend-Lease military help was given to Chiang Kai-shek and not to the Chinese Communists. Many of the critics were pleased when similar help was extended to Tito, in another theater of operations. Later events would indicate that the Lend-Lease policy left no greater problems in China than it did, say, in the Balkans. But one's view of that will depend upon which side of the iron curtain one's sympathies lie. The important point to be noted is that Lend-Lease policy is quite distinct from China policy; and that its purpose was to defeat the Axis, not to strengthen either Chiang or Tito.

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Little of this large sum is on a returnable basis, however, and our financial stake — if we think in terms of a possibility of profit — has not been greatly increased by this wartime assistance. In addition to the sums above named, a credit of $500,000,000 was earmarked by the Export-Import Bank in April 1946. After General Marshall returned from China some months later it was stated that this proffered credit would lapse on June 30, 1947, unless satisfactory constructive plans were developed before that time. The earmarking expired on June 30, 1947. However, on June 27 the Bank stated that it would consider the extension of credit to the Chinese National Government for specific projects, notwithstanding the expiration of the earmarking.

Americans have always been fascinated by the prospect of doing business with China's 400,000,000 customers — three times the number in our own domestic market. Perhaps some of this enthusiasm has been handed down from early days when the possibilities did seem more bright. In the year 1820, for example, our trade with China represented more than a tenth of our total foreign trade, the Chinese buying 11.8 percent of all we sold abroad and we purchasing from them 10.9 percent of our imports. But this promise was not fulfilled. During the ten-year period before the recent war, for example, only 2.8 percent of our total imports came from China, and we sold her only 2.4 percent of our exports. Industrialization of China might pave the way, of course, for a realization of some of the promises of a century and a half ago. The Open Door for development of trade is one of our considered principles which we shall surely not relinquish. But tangible financial profits in China in any sizeable amount are a future, not a present possibility.

Strategically, our interest in a free, strong and united China is great. The experience of World War II proved that China was more important to our safety than we thought. Since our acquisition of the Philippines at the turn of the century, it has been clear that we would defend the Islands if they were invaded and that if we lost them we would at all costs endeavor to take them back. Although we have given the Philippines their independence, we are continuing to assume the obligation for their defense. As we learned to our sorrow, the possession of the southeast coast of Asia by an expanding and unfriendly Power constitutes a threat to the Philippines and consequently a threat to the United States. With the growth of air warfare the Islands are

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completely vulnerable to attack from China. When Japan started the war against us her continental position in China both facilitated her conquest of the Islands and made our task of regaining them and of defeating Japan very much greater.

In Manchuria, the situation is similar to that which existed before the start of the war, with the exception that Russia has succeeded Japan as the dominant Power in that region. Our decision at Yalta apparently was based on the assumption that this would not constitute a serious threat to the United States — or else it was inadvertent. Manchuria has been a sphere of special interest for Russia or Japan, or both, for many years, and this has not affected our military interests, even though Russia and Japan fought a war over their rivalry there. But if that special position were to lead Russia, as it did Japan, to expand into China south of the Great Wall, then the strategic situation would plainly be changed.

Whether Russia will be tempted to resume the interest in China proper which she showed in the 1920's, and which ended so unsatisfactorily for her, and whether if so she could succeed in conquering or controlling China, where Japan failed, and could harness China's resources and manpower for a venture in world conquest — all this is a matter of conjecture. It can be stated confidently, however, that a strong, independent and united China in complete control of the east coast of Asia offers the best hope for peace and prosperity in that part of the world; and thus it is of importance for American security. Perhaps no other American interest in the field of foreign affairs is more readily perceived and supported by the State Department than this one.

The American interest in the political future of China is no less great, though not quite so easily described. Perhaps the course of development taken by the 400,000,000 Chinese will influence the political shape of the world 50 years from now — and hence the conditions of life in the United States — more than anything that is likely to happen in Europe. We want China to move in the direction of democracy — to evolve a government representing the interests of all her people and not a dictatorship of any class or group. But it is wise not to scatter the word "democracy" too freely through discussions of affairs in China. For though China has produced individuals who represent the finest democratic ideals of reason and tolerance, and though her peasantry is in many ways among the most democratic of peoples, she has still

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to develop a truly democratic régime. China is — China. We shall have to wait and see what new institutions her own genius produces to suit her temperament and her new needs.

In 1943, when the Allies were deliberately giving the requirements of the western theater of war priority over those in the eastern theater, it came naturally to so great and objective a student of politics as Sir Halford J. Mackinder to write: "Wisely the conquering of Japan waits for a while. In due course China will receive capital on a generous scale as a debt of honor, to help in her romantic adventure of building for a quarter of humanity a new civilization, neither quite Eastern nor quite Western."[2] That perhaps describes the terms of the political pledge as well as it can be put. There is no doubt, I think, that the Chinese understood that that pledge was made; and that they believe it is in our interest as well as theirs that it be redeemed.

But the hard question, of course, is not to define our long-range interests, but to determine how to secure them in the present circumstances. What to do today to help China become a free, strong and united nation, friendly to the United States and to our ideals of democracy?

IV

Since a choice must be made, we can, I think, reduce the alternatives to three.

The first and most obvious course of action to further our commercial, strategic and political interests would be to back the present friendly Government of China to the hilt, financially and in every way we could devise — just as, for example, we try to help the present Government of Great Britain to overcome its difficulties. That is the course which most Americans expected the United States Government to take in China after Japan was conquered; it would have been correct by every canon of international law, consistent with our traditional China policy, and in keeping with our obligations. It was not followed, and cannot now be followed, for the reason that it would in practice be ineffective. As noted above, China is exhausted from eight years of war. The Government is beset by a breakdown of the national economy on the one hand and open rebellion of the Communists on the other. Great sums of money and quantities of goods will not solve her problems.

[2] "The Round World and the Winning of the Peace," FOREIGN AFFAIRS, July 1943.

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The second course is the exact opposite of the first: to reverse our traditional policy of the Open Door and make plain that we will not support the Government of China in any way. Though I cannot imagine any man in a position of actual responsibility choosing to risk such a course, and though I think it is most probable that were it taken the American people would demand a reversal of the new policy as soon as they understood its implications, this alternative is now being championed by a number of writers in American newspapers and periodicals. It is in accordance with the world-wide Communist Party line; but an ardent sympathy for the people of China and a fierce indignation with the Government of China for not alleviating their plight are not found exclusively among Communists. The intensity of China's misery seems to suggest the need for a correspondingly dramatic stroke of policy on the part of China's friends. We should *do* something! And that "something" should be keyed to the pitch of the crisis — something showing dramatically how strongly we disapprove of present conditions in China. This suggestion represents, of course, a characteristic American approach — characteristic of our way of expressing our feelings, if not our mature judgment. However this may be, one finds it easier to sympathize with the motives of some who advocate this course than to follow their reasoning.

The argument in favor of transferring American support from the National Government to the Chinese Communists seems to have yielded to the realities of the international situation and is now seldom expressed. On occasion, however, it takes the form of a truly romantic hope that if the Chinese Communists (whose leaders are avowed Marxists, many of them schooled in Moscow) were to succeed to power in the Chinese Government, China would thereby in some strange manner be drawn away from the Soviet Union. Since, fortunately, this theory has not been tested in China, we have to look to the behavior of Marxist leaders in, say, Hungary, Rumania or Jugoslavia for evidence of its invalidity. Most Americans find the evidence conclusive.

A related argument is that our present policy is "making Communists," since we are supporting an unpopular government. The question of its validity would seem to turn upon the degree of force which the United States is using to impose the Nanking régime upon the Chinese people. The number of American troops in China is so small, the troops are so scattered, and their pre-

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occupation with the legitimate affairs of the United States is so strict, that the Chinese peasantry are subtle indeed in their reasoning if the presence of the American soldiery is linked in their minds to defects in the Chinese Government.

Similarly the charge is made that our "intervention" risks provoking the intervention of the U.S.S.R. in China, and thus increases the risk of war. It is reasoned that if we "clear out of China," and Russia comes in, *then* we can return with a clear conscience and fight the war. The fact that Soviet power flows into every vacuum on the Soviet border is the one firm link in such a chain of reasoning (for all that it is usually the unstated one). Much confusion stems, I think, from the misuse of the term "intervention." We are not now "intervening" in China. It is not intervention to sell military equipment to a friendly Power or to dispatch a military mission to it at the request of its government.

There are at present United States military personnel in China in three categories, Army, Navy and Marines. The first is composed of members of the Army Advisory Group to China, grave registration personnel, and supply personnel for these; the second of members of the Naval Advisory Group to China; the third of guards for protection of the remaining United States installations in China. The total is less than 10,000 men. To withdraw these troops suddenly (we are in fact withdrawing them gradually) would be taken in China as symbolizing a reversal of United States policy. But those who advocate such a course do not say, or perhaps do not perceive, what the full implications of it would be. It would be taken to mean not that we were ceasing to exert influence upon Chinese affairs, but that we had decided to try to bring down the present Chinese Government.

The third course seems the logical one. It is, quite simply, to reëmphasize our tested China policy — and to wait. After all, we are dealing with China; and we delude ourselves if we believe that there is any dramatic stroke of action which will rapidly improve the situation there. This is indeed a time for patience. As friends of the Chinese people we want them to carry through the fundamental changes which they have undertaken. We want the Chinese revolution to be completed. Our experience with Japan, which adopted western institutions without making fundamental changes in her feudal system, was costly and tragic. We believe that a strong, free, democratic and united China will be a powerful factor for peace in Asia and in the world. It may not be ex-

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pedient to give large practical help to the Chinese Government at this moment. But there is a sane middle course between giving aid without stint that would be wasteful and ineffective, and withdrawing the possibility of any assistance whatever. Unless we are of the opinion that the Communists are preferable to Chiang, and that Chiang's Government should be overthrown, there is no rational ground for abandoning our established policy.

Some twenty years ago when I was living in China, I recall asking Admiral Tsai Ting-kan, one of the first Chinese to have been educated in the United States, and a very wise old gentleman, how long he thought it would be before China "settled down." "Not long," he said. "How long?" I pressed him. "Five years?" "No," he replied, "perhaps a hundred years. Chinese history teaches us that it usually takes a hundred years after a dynasty falls before a new government is firmly established." That leaves China about 65 more years in which to hammer out a new régime, dating from the revolution of 1911. I thought then that Admiral Tsai was too pessimistic. Now, in 1947, I am still willing to hope that the job can be done sooner, but I also see the wisdom of taking the long view.

This long view is evident in the last important statement of our China policy, made by President Truman on December 18, 1946. In the course of it he said: "China is a sovereign nation. We recognize that fact and we recognize the National Government of China. . . . We are pledged not to interfere in the internal affairs of China. . . . We will persevere with our policy of helping the Chinese people to bring about peace and economic recovery in their country. . . . When conditions in China improve, we are prepared to consider aid in carrying out other projects, unrelated to civil strife, which would encourage economic reconstruction and reform. . . ."

Conditions have not improved since last December, and no aid has been considered a practical possibility. General Wedemeyer's mission may find ways to give assistance in the future. The long-term policy of the Government, which dictated the sending of the mission, is sound. Action taken in harmony with this policy is likely to prove fruitful. Departures from this policy are likely to be regretted.

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NEW AID FOR NEW EUROPE

By Percy W. Bidwell and William Diebold, Jr.

AMERICANS since V-E Day have spent more than $11 billion to aid European recovery. Through UNRRA, the Red Cross and private agencies we have shipped millions of tons of supplies for relief and reconstruction. We loaned $8 billion to Great Britain, France and other European countries to purchase food, raw materials, and equipment for their factories, and to repair their transport systems and their public utilities. The President, the Secretary of Agriculture and other public officials have pointed with pride to these evidences of American foresight and generosity. They, and Congress and the public, seem to have assumed that the job was finished, or soon would be. UNRRA's term expired December 31, 1946, and with it large-scale international relief came to an end. While reconstruction might take somewhat longer, it was hoped that the American loans already made would enable Europeans to finish that task largely by their own efforts. Whatever additional outside help was needed could be supplied by the new International Bank for Reconstruction and Development.

We were much too optimistic. After two years of nominal peace, Europe is still a long way from self-support. England, having exhausted three-quarters of her $4 billion loan, has found it necessary to cut still further her already restricted imports, to reduce her military establishment and to reimpose some war-time controls of production. Everywhere in Europe today inflation, strikes, hunger, bad housing, political unrest and frustrated hopes of better times are still hampering productive effort.

Now, in the fall of 1947, we are faced again with an appeal to help Europe, and on a larger scale than ever before. Millions of intelligent Americans, men and women of good will, are puzzled. Not questioning Europe's continuing need, they want to know what went wrong. Whose fault is it that Europe is not on her feet again? What assurance have we that new loans, or new gifts, will actually revive production and lift standards of living? How will large-scale aid to Europe affect our attempt to maintain stability in the American economy? How will it affect our relations with Russia? Finally, why is this our responsibility?

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II

Seeking for explanations of great social or economic disturbances, men are prone to put the blame on natural phenomena. Certainly in the past two years Acts of God (so-called) have impeded European recovery. Crop failures occurred in critical areas in 1945 and 1946. Excessive cold and unusual snowfall in the winter of 1946–47 followed by floods tied up England's transport system and handicapped production. Disasters such as these not only lowered morale and damaged health but made necessary the diversion of scarce dollars from the purchase of capital equipment to securing immediate necessities. Human frailty, however, rather than Divine Providence must bear the real burden of responsibility for Europe's present plight. Reconstruction was a job which, for the most part, Europeans had to carry through themselves, though there was a broad area on the margin in which American help was indispensable. But owing to lack of foresight and imagination, inability to comprehend the magnitude of the task of restoring the European economy as a going concern, and timidity, our aid was not forthcoming in the amounts nor at the times necessary to meet Europe's needs.

Beginning early in the war, the better informed sections of American opinion showed keen interest in systematic planning for European reconstruction. Eventually, the State Department organized studies of the subject from the point of view of American interest. As the result of this work and that of other agencies, relief, loans and a generous Lend-Lease settlement were all provided. Global economic agencies were created. Each had a bearing on European reconstruction, but when V-E Day arrived there was no comprehensive plan for the use of American resources to restore Europe's economy. And, as things turned out, that goal slipped through the interstices of our other policies and was lost, for the time being at least.

During the war many European countries, and particularly the United Kingdom, had depended heavily on Lend-Lease shipments for the support of their civilian economies. The sudden end of this support on V-J Day — by a Congressional decision taken in April 1945 — left them without any adequate substitute. UNRRA's assistance, which went principally to eastern Europe and Asia, was confined to food, clothing and "rehabilitation;" long-term reconstruction projects were excluded. Even so, UNRRA's funds were insufficient to do the job.

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The two international financial institutions which had been set up at Bretton Woods were not in a position to help. The International Monetary Fund was designed to aid in meeting temporary deficits in foreign exchange, not to make advances for relief or reconstruction. Its complement, the International Bank for Reconstruction and Development, got a slow start; its first loan was not made until May 1947. At any rate, its total lending capacity was only $8 billion — equivalent to the 1947 United States export balance for nine months, and far from enough to do the whole job. More significant in limiting the Bank's future services in financing European reconstruction is its dependence on the American capital market. That market demands a higher degree of "soundness" than will characterize most European reconstruction loans at present.

The United States after V-E Day lent billions to Europe on its own account. Britain's needs were temporarily met after three precious months had been spent in negotiation and seven more in American debate. But the $3.75 billion of new money promised the British in December 1945 had shrunk in purchasing power to $3.15 billion before Congress acted. By June 1947, price increases in the United States had reduced the value of the original sum by almost 40 percent.

Between June 1945 and December 1946, continental European countries got credits, through the Export-Import Bank, Lend-Lease settlements and other means, totalling $3.5 billions, an amount grossly inadequate for their needs. American officials knew the loans were too small, but counted on the International Bank to begin operations in 1946. Our funds, limited in total amount by Congress, were parceled out among many applicants. Their estimates were cut to a minimum, leaving them no elbow room, no margin for unforeseen contingencies such as droughts, storms and floods or the failure of production to come up to expectations. Responsible officials now admit that they underestimated Europe's postwar needs for working capital, as well as its immediate requirements for food and fuel. Beyond that, they failed to recognize how much the disruption of Europe's economic institutions, currency, banking, transport, and of its business organization would impede recovery.

American policies made it hard for the Europeans to make the best use of the money they did get. Rising prices made January's calculations inadequate in June. Controls over production and

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trade were rapidly removed and foreign buyers had to compete for scarce capital goods with established American industries. Machinery promised for 1948 was no help to Europe in 1946.

Administration officials undoubtedly were trying to be realistic. Congress was in an economy mood, bent on getting rid of wartime taxes, expenditures and controls. "If we asked for more," argued these officials, "we might get nothing. Better to eke out what we have." Congressmen and Senators who were anxious to forget about the war and "take the harness off" the American economy thought they were reflecting American public opinion. Perhaps they were, but it is possible that they underestimated both the intelligence and good will of their constituents. Maybe all that the voters needed was more information about Europe's needs, more education in their responsibility in world affairs. Leadership in these matters was the business of the President and the State Department. But lacking a comprehensive policy, they did not try to impress on the public the size of the reconstruction problem. To have done so would have risked Congressional displeasure. Yet, as Henry Adams wrote, "The Secretary of State exists only to recognize the existence of a world which Congress would rather ignore . . ."

With its eyes on Capitol Hill, the Administration lost the chance to change the climate of opinion, to appeal to the country, and alter the mood of Congress. What was needed was a frank statement of Europe's weakness and danger and an explicit recognition of America's responsibility. Mr. Roosevelt could perhaps have made such a statement in magic phrases which would have rescued the people from war weariness and aroused the great forces of their latent idealism. It would be a great tragedy if his death, like Lincoln's, should prove to have transformed "Reconstruction" from a symbol of hope to one of despair.

Europeans themselves failed to push recovery as fast as they might have. Some governments would not risk telling the people how badly off they were, nor would they impose unpopular economic reforms. The people of Europe were worn out, underfed, perhaps despairing of their chances in the postwar world. In many countries political differences prevented agreement on programs of economic recovery. Nazi occupation had left a legacy of violent antipathy between resistance forces and collaborationists. Russian policies delayed the return of stability and confounded European politics. Over all lay the shadow of growing friction be-

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tween the United States and the U.S.S.R., hampering recovery and making uncertainty the only certainty.

III

Secretary Marshall's address at Harvard on June 5 marked a new departure in our reconstruction policy. Delivered in a quiet, academic atmosphere, his careful, restrained language lacked the dramatic note of urgency which pervaded the President's appeal to Congress on March 12 for aid to Greece and Turkey. Both statements dealt with economic as well as political disorder in Europe, but they placed the emphasis differently. Without mentioning Russia, Mr. Truman made it clear that he was asking Congress to implement a policy of checking Soviet expansion by strengthening Greece and Turkey so that they might resist infiltration and aggression. What he failed to make clear was that a considerable proportion of the aid to Greece and practically all of that destined for Turkey was of a military character. Three months later Mr. Marshall did not mention military aid; his program contemplated the economic rehabilitation of distressed countries as a means of removing conditions that promoted political unrest. In March the President had presented to Congress a ready-made plan for aiding Greece and Turkey; so far as we know, those countries had had little if any part in framing it. Now the Secretary of State proposed no plan; he merely suggested that if European states would do some joint planning for reconstruction the United States would see what it could do to help.

Perhaps because of its lack of drama, the Secretary's address got little immediate notice in the American press, but abroad Mr. Bevin and M. Bidault welcomed it as marking a momentous shift in American foreign policy. The United States, it seemed, had abandoned its fairy godmother attitude. It had put the initial responsibility for planning on Europe but promised "friendly aid" in drafting an economic program for Europe. "Any government," Mr. Marshall promised, "willing to assist in the task of recovery will find full coöperation on the part of the United States." Thus, Russian participation was invited. But the invitation was coupled with the warning that the United States would not help any government which manœuvred to block recovery and "to perpetuate human misery in order to profit from it politically or otherwise . . ."

Europeans noted appreciatively that the Secretary reversed

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the principle (laid down by his predecessor when UNRRA ended) of dealing with each suppliant separately. He, in fact, made it a condition of American aid that the new European program should be a "joint one, agreed to by a number, if not all European nations." Repeatedly, as when he spoke of "the entire fabric of the European economy" and "the rehabilitation of the economic structure of Europe," he showed that he was planning to shift American policy in that area from a national to a regional basis. Further, he was thinking not of stemming an immediate crisis, nor of aid "on a piecemeal basis as various crises developed." He had in mind a long-range program.

The shift in emphasis of American policy between March and June was perhaps related to the responses which Mr. Truman's blunt declaration evoked on both sides of the Atlantic. Debates in Congress and in committee hearings revealed doubt and hesitation, and not merely in the minds of isolationists and tax-conscious members. Many citizens who believed their country should meet its postwar responsibilities were worried. They disliked the idea of giving hundreds of millions to what seemed a corrupt and autocratic government in Greece, and they had little faith in Turkish adherence to western democracy. Besides, they questioned whether it was practicable for the United States to stem in this fashion the advance of Communist power.

Avowed Communists, whether in New York, London, Paris or Rome, followed the line laid down in Moscow denouncing the new policy as crass imperialism and as new evidence of capitalist "aggression." Conservative opinion, of course, applauded the President for his firm line. But liberal newspapers in Sweden and Italy were disturbed by the tone of the President's message; and in France, Léon Blum, though not criticizing the proposal of help in itself, liked "neither the President's line of argument nor his choice of words." Sharing neither Mr. Churchill's exuberant satisfaction nor the unqualified disapproval of London's *Daily Worker*, middle-class liberal opinion in England was worried at the prospect that England in an atomic war might have to bear the first brunt of Russian attack. "The most prevalent fear aroused in Britain by the Truman program," wrote an American newspaper correspondent,[1] "probably is that the United States is tending toward individual rather than collective action in international affairs."

[1] Jack Tait in *The Christian Science Monitor*, March 21, 1947.

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The "Marshall Plan" (as it is universally called) got a very different response. It gave new hope to many Europeans who had been uneasy about the Truman declaration. "Everybody was struck by the economic and nonpolitical character of the plan," wrote Léon Blum. "Its only political influence would be indirect — through its very benefits, inasmuch as the misery or well-being of a people is a political factor of prime importance." [2] This type of American loan would not be "a para-military operation." A few suspicions lingered. Would political conditions be attached to American aid? Why had the United States "by-passed" the U.N.? Publicists warned that Mr. Marshall had made no commitments; only Congress could do that. The confused Communists talked around the question until Molotov left the Paris meeting; then they knew where they stood and prophesied Europe's enslavement to the dollar.

Disregarding the critical minority, the governments of western Europe quickly got down to work. After the fruitless session with the Russians, they held what Mr. Bevin happily called "the quickest conference I have ever presided over" and began detailed work on a program to present to the United States.

IV

While Europe was preparing its plans, the United States began to study what it would have to do to carry out the program sketched by the Secretary of State. At the time of writing, before the Paris proposals are published, the cost of the Marshall Plan cannot be accurately estimated, but it is not too hard to form some idea of its order of magnitude. Before he left the State Department, Benjamin Cohen suggested that Europe might need $5 billion or $6 billion a year for three or four years to meet its "rudimentary rehabilitation needs." A subcommittee of the House Committee on Foreign Affairs estimated that Europe will need about $10 billion in new money over the three-year period 1947–49. John H. Williams, testifying before the Joint Congressional Committee on the Economic Report, thought $4 billion a year all that was contemplated in foreign aid. Conservative industrial and banking circles looking at the rate of recovery of some European countries, and emphasizing the size of gold and dollar balances, prefer to talk in smaller terms, say $2 billion to $3 billion a year.

[2] "The Soviets Say No," *The Nation*, July 19, 1947.

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In the opinion of the writers, Mr. Cohen's estimate is most likely to prove correct; it will probably cost upward of $5 billion a year, at least for the first year or two, to place Europe on its feet economically. It may be that not all of this sum will be charged to the Marshall Plan. Supplies for Germany may continue to be carried under a different head, as may the $332 million already appropriated for relief and the $400 million appropriated for loans to Greece and Turkey. The International Bank is likely to supply funds for some projects included in the Plan. Should Europe's industry revive under the initial stimulus, exports to the United States might mount, so that the need for additional dollars may decrease. But if on the other hand European recovery still languishes, or American prices keep rising, the total cost of the plan may well exceed initial estimates.

Five billion dollars is a lot of money, more than the whole capital of the Export-Import Bank, more than the British loan, which was supposed to last three years at least, more than the American contribution to the International Bank or to the Fund. On the other hand, it is only 2.5 percent of our national product for 1946. That is less than three-fifths of what Americans spent on alcoholic beverages last year; it about equals our expenditure on tobacco, sports and movies. At the height of the war we spent more than $5 billion every three weeks. Five billion is a lot of money from some points of view, but very little if it saves a continent.

The governments meeting at Paris know that their dollar demands must be kept within reason. The President's advisory committees and federal experts will subject the European plan to close scrutiny before any program is presented to Congress. The pressure will be strong to keep down the total, to compress the pill to a size Congress will swallow. Certainly every reasonable economy is justified. But optimism is not justified. The implied assumption of 1945 and 1946 that every request can safely be cut will just as surely lead to trouble again. We should have learned by now that Europe needs a margin for contingencies, that every country needs working capital, that none can safely strip itself entirely of gold and dollar balances. Realism must take full account of Europe's needs as well as Congress' willingness to give.

To estimate Europe's needs correctly is the first task. Equally essential is the second — actually to fill these needs. Not dollars, but the delivery of adequate quantities of the right goods, in

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the right places, at the right time, is the essence of effective aid to Europe. Most of the goods we have shipped to Europe since V-E Day have been for immediate consumption. Only a small part has been in the form of machinery, locomotives, farm equipment, steel and other capital goods which Europe needs if it is to produce enough to pay its way in the world.

During the last half of 1946, the United Kingdom spent only 5 percent of its dollars for machinery. "Those who say the loan should have been spent on such items as steel, mining and manufacturing machinery entirely overlook the supply conditions in the United States, where these things are almost unobtainable," Herbert Morrison told the House of Commons. Yet production of these goods in the United States is now at a high level. During the latter half of 1946 we produced 80 percent more iron and steel than in 1935–39, and more than two-and-one-half times as much machinery. But because of our high level of business activity the bulk of these products is being used domestically. Moreover, what is exported goes not only to Europe but to many other parts of the world, especially Latin America.

To make the Marshall Plan succeed, the United States will have to see to it that more capital goods go to Europe. "The success of our foreign policy rests in our ability to carry out the things that we say we are going to do," Dean Acheson told a House committee. "To embark upon programs without the capacity to carry them out effectively and on time is to court disaster." Congress passed the bill which Mr. Acheson was advocating. Among other things it extended the President's wartime power to control exports and, in effect, to divert production from domestic to foreign markets when such action is "of high public importance and essential to the successful carrying out of the foreign policy of the United States." The preamble of the act expresses Congress' desire to get rid of controls, and when signing the bill, President Truman promised to use them "sparingly and dispense with them as soon as conditions permit." Even so, all the evidence indicates that the President should use these powers more than he did in the past two years, when decontrol was the order of the day.

The same act extends the President's power over certain imports and over domestic rail transportation. Other legislation permits the Maritime Commission to operate vessels, thus guarding against a shipping shortage. Perhaps additional controls

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will be needed to make sure that enough American goods of the right sort reach Europe. Or, what is equally important in the case of some products such as sugar, copper, fats and oils, that the well-heeled American buyer does not outbid his needier European competitor in overseas markets, thus drawing into the United States goods that are more urgently needed in Europe. Sharing scarce goods will not be easy and will often be unpopular. Americans watching the ships going out of New York harbor may identify their cargoes with the food they cannot find in their own groceries and butcher stores. Pennsylvania and West Virginia mine operators may complain to their Congressmen that the machinery they need is going to Europe to be installed in Wales, Belgium or the Ruhr.

Will such complaints be justified? Will the new aid to Europe actually deprive Americans of goods they need? The United States is now producing at record peacetime levels — steel 95 percent more than prewar, machinery 175 percent, trucks and cars 90 percent, coal and oil 150 percent. Last year we produced 13 percent more meat than before the war, and our 1947 wheat crop is estimated at 20 percent above 1946's record harvest.

But we are consuming more, too. "The American people now have available for their own use a larger quantity of goods and services than ever before," the President said in his midyear economic report. Although our population has grown, per capita consumption of meat in 1946 was 15 percent higher than in 1939, canned vegetables 52 percent, fresh vegetables 14 percent, canned fruit 36 percent, and eggs 22 percent. Although there was a slight decline in our consumption of wheat, dairy products, fresh fruits and edible fats and oils, the average American diet was maintained at a level substantially above prewar. According to the President, "The consumption of major food products by American consumers has clearly not been jeopardized, although the aid rendered to those stricken by the war has, of course, entailed some sacrifice."

Clearly, the American people have not suffered from their record peacetime exports. In 1946 exports of goods and services equalled about 8 percent of our national product; in the first half of this year slightly over 9 percent. In the roaring twenties it was 7 percent. Then we called it prosperity; now some of us are worrying about scarcity.

Perhaps we should worry, for the Marshall Plan is not devoid

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of risk. Prices are rising, demand outruns supply and inflationary pressures are strong. Many fear that large-scale aid to Europe will blow the top off the American boiler. Perhaps it will — but not if the Government proposes the right measures and Americans support them. Undoubtedly, our heavy exports against credit are a source of danger, but the chief faults in our economy lie at home. To make the Marshall Plan work, it is not necessary to increase total American exports, but to keep goods moving to Europe in large quantities after existing credits run out. Even if exports to Europe were to increase, that might well be at the expense of other areas which last year got almost 60 percent of the total.

Though it may not expand our exports, the Marshall Plan, if it is to succeed, must change their composition. Otherwise we shall merely continue the export pattern of the last two years, supplying Europe with immediate needs but not with the makings of reconstruction. At first, to be sure, sizable shipments of food and coal will continue. The need for them is urgent; Europe still cannot meet it. But along with these goods there should go, and in increasing quantity, machinery, steel, tools, fertilizers and other production goods. By prewar standards, we are now exporting substantial quantities of these goods, but prewar is not the real test. Aid to Europe is not normal trade, in the course of which we provision a going concern. The job is to rebuild what was destroyed, to make up for six years of depreciation and hard wear, to modernize Europe's industries — and all to enable that area to pay its own way.

Under present conditions of full employment it seems that we can supply more capital goods to Europe only by using less ourselves. Before next spring, some economists believe, domestic demand will have slackened sufficiently to permit increased exports without interfering with home needs. So much the better if it turns out that way; the job will be easier, and the Marshall Plan will provide some insurance against a recession starting from a slump in capital goods, a key sector of our economy. But even if total domestic demand for capital goods eases, domestic buyers in some lines, perhaps many, will still be competing with the aid to Europe program. In these lines government intervention may be needed to make the Marshall Plan succeed. Fortunately, rationing capital goods is easier than rationing consumers' goods; there are fewer buyers, production tends to be concentrated, de-

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mand can more easily be deferred. It remains to be seen whether the powers the Administration now has will be sufficient to keep adequate exports moving to Europe.

It is too late to return the American economy to its position on V-E Day. Proper use of controls then in force would have speeded European recovery. Instead, we dismantled them. That mood still prevails. Rationing, it is said, is politically impossible; certainly its restoration would be very difficult administratively. Price-fixing at new levels, though possibly easier, might not be more popular. Perhaps we can safely do without either. The full panoply of wartime regulation of our economy will almost certainly not be needed to carry out the Marshall Plan. There may be shortages of some consumers' goods, at least in the first years of the plan. Though the size of this year's wheat crop certainly makes flour rationing unnecessary, it may turn out that we shall need to restrict the feeding of wheat to animals, which high corn and meat prices encourage.

Americans, thinking about the Marshall Plan, are worried about inflation and scarcity. Tass, the Soviet news agency, looks at it another way. The United States can help Europe, but ". . . the U. S. A. . . . is also interested in making use of its credit possibilities for expanding its external markets, especially in view of the approaching crisis."[3] This view, that the United States needs the Marshall Plan to forestall a depression, has found a certain currency in Europe. Certainly a sharp drop in our exports would shock the American economy. Whether it would set off a depression depends on many things. We are in a boom and, to paraphrase the old saying, "if you say boom, you must say bust." Depressions usually follow wars — but how soon? Many economists think we shall have only a short recession that pricks some of the bubbles in our disturbed economy, bringing down prices and setting free a great pent-up demand that will sustain production at a high level for some time to come.

If a depression should be not far off, the Marshall Plan may avert it; but to assume that this is why we are undertaking new aid to Europe jumps many steps in logic. We could dispose of our surplus agricultural products by a domestic relief plan. The domestic market is far from saturated with most commodities. Moreover, if a depression should come, it might be easier, politically, to make large appropriations for roads, dams and public

[3] Dispatch broadcast from Moscow, *The New York Times*, June 30, 1947.

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buildings than to spend the same amount of money on the Marshall Plan. Subsidized housing would create a tremendous market for the construction industry, one of the staples of our economy, and domestic spending of this sort would create more jobs than subsidizing exports. No, the Marshall Plan has other aims than to avoid a domestic slump.

V

Europe will not be rebuilt in a year, or in four, the term set in the Paris discussions. But even four years' aid calls for continuity in the new American policy, and there is no way to guarantee it. One Congress cannot commit another to vote funds; each is free to undo the work of its predecessors. Already the Truman Administration has lost control of Congress; we may have a new Administration before the Plan has been in effect even a single year. One might, with ingenuity, devise a scheme for setting up and financing the whole Plan at one stroke, but there would be next to no chance that such a scheme would be politically acceptable. There will be no getting away from the need to go periodically to Congress for funds and, in all probability, for ancillary legislation as well. That was true of Lend-Lease; it can hardly be less true of a peacetime lending program.

There are means, however, for making it more rather than less likely that the year after next the United States will carry out the program on which this year's actions are based. Bipartisan agreement is, of course, essential to getting European aid adopted in Congress and will be needed if the program is to be kept out of the election campaign. A declaration of intent by Congress, personal commitments by party leaders, reports to Congress on what is being done under the Plan, all these will help.

Such measures should be reënforced by public education and efforts to stimulate public interest. The State Department has undertaken successful campaigns of public education on certain postwar measures: the Bretton Woods institutions, the United Nations and the British loan. But the Department never made Americans understand the real size of the reconstruction job in Europe and what it required from the United States. Lack of a clear policy, rather than inadequate public relations, was responsible. The Government never took on the whole job; sometimes it seemed almost to refuse to recognize it. The State Department's Office of Public Affairs is always skirting a precipice since it

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may not spend money to influence Congressional action. It has trouble getting policy-makers to leave out qualifications when presenting diplomatic and technical matters to the voters. Each year the Office runs a Congressional gantlet in the hearings on its budget; and particularly in an election year it must take care not to be accused of playing politics. If it can find the means to get past these difficulties, and will take the risks involved, it may play a useful rôle in creating a better popular understanding of this new development in our foreign policy.

VI

The Marshall Plan, like the aid to Europe that preceded it, is not, of course, purely altruistic. The Plan will demand a lot from Americans in goods, effort, intelligence and good will. What do we get in return? If the Plan succeeds and the European economy is rebuilt, we shall be amply repaid, for the United States has a vital interest in Europe. Twice in our lifetime we have been involved in wars that began in Europe. The danger of another world war would grow if Europe were left to deteriorate. Unwillingness or failure of the United States to help would inevitably turn many western Europeans, in desperation, cynicism, or with slight hope, toward Russia. That would mean a loss for the United States in the worldwide political contest. Europe, which accounted for half the world's trade before the war, is, moreover, an essential part of the kind of world economy we are trying to rebuild. Humanitarian instinct, again, calls on us to aid; to deny that instinct would damage our own natures. Finally, western Europe is, with notable exceptions, an area of freedom and democracy. It would not long remain so if its economy crumbled; Americans as well as Europeans would be the losers. We suffer when part of what we stand for is lost to the world. American independence was proclaimed on the basis of ideals that pertained to all men. A refusal to aid Europe would mean abandoning these ideals and would undermine our democracy.

Since Europe's economic and political recovery is our goal, we must be careful not to attach conditions to American aid that might frustrate our purpose. This will not be easy; we have many legitimate interests in Europe, and many prejudices.

The original conditions of the Marshall Plan — that the Europeans get together on a reconstruction plan, and that they provide the greatest possible amount of self-help — were sound, and it

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was no disservice to the Europeans to impose them. As Anthony Eden said, referring to Britain's position, "If the Marshall offer should become a pretext . . . for refusing to face the facts, and for shirking the necessary hard decisions, then in the long run . . . the additional breathing space it gives us may prove to be more a loss than a blessing." But more difficult problems lie ahead. The United States will have to work closely with European governments in carrying out the plan. Our views of how reconstruction can best be achieved must be taken into account, but we must not substitute our judgment for the judgment of Europeans simply because we are giving aid. The United States has in fact a veto power over European reconstruction — a dangerous weapon that may recoil on us.

Common problems will have to be settled by agreement. Distinctions between "economic" and "political" conditions will offer no guide for policy, only for hypocrisy. As Dean Acheson said when the British loan was being discussed, "Between self-respecting people political concessions are not to be bought for money." We are dealing, in western Europe, with independent, self-respecting people, and part of our purpose in helping Europe rebuild is to keep them that way. American diplomats will have to refrain from reaching for the lever that cuts off reconstruction aid every time they get into a dispute with a foreign government.

The treatment of Germany, nationalization of European industries and trade with countries in the Russian orbit illustrate the problems which will arise. The trails of many European shortages lead to the doors of German factories and mines now producing half, or less than half, of what they did before the war. New orders issued to General Clay make it clear that the United States has reversed its past policy and plans increased industrial output in western Germany. Clearly this is necessary to carry out the Marshall Plan. But Germany's neighbors, particularly France, are worried lest the new policy mean that Germany will receive preferred treatment or even that safeguards against renewed German aggression will be dropped. No solution of the German question will make the maximum contribution to European recovery unless it takes satisfactory account of these fears on the part of Germany's neighbors, as well as seeing to it that the revival of German industry benefits Europe in general and not Germany alone.

Further difficulties arise because the "German question" concerns eastern as well as western Europe and the United States.

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The November conference in London may decide whether there is to be a split Germany, one part playing a crucial rôle in the Marshall Plan, the other a lesser rôle in the Molotov Plan, or whether there is to be a single Germany, serving as a kind of passageway between east and west.

It is argued with increasing frequency that a condition of American aid to Europe should be a suspension of programs of nationalization of industry. Nationalization, it is said, impedes recovery while free enterprise would promote it, but in this argument (which is found more often in financial pages than in Washington dispatches) there is usually a strong flavor of American distaste for Socialism. Here we have a potential source of great trouble. Americans said easily during the war that the old Europe was dead and a new one would arise, but now we act as if this were not true. Socialists are in power in many western European countries, and in all they exert strong influence; other non-Marxist groups have become more socialistic than they used to be. So it appears that unless we are willing to help Socialists we cannot help western Europe, and we cannot help Socialists and ask them to stop being Socialists for the time being. We can ask, within limits, that they do not divert into socialization the energies that should be going into reconstruction. But Americans must recognize that the political changes which have taken place in Europe must somehow find expression, sometimes in acts of more symbolical than material significance. Also, an American government should not find it too hard to understand that foreign democratic governments sometimes have to do things simply to satisfy their electorates.

Should there be industries whose nationalization would clearly impede recovery, the United States would certainly be justified in questioning the wisdom of such a step — though hardly in shutting off aid in order to prevent it. But we must bear in mind that the pragmatic arguments used to justify free enterprise in the United States do not always apply in Europe. European capitalism was seriously decrepit before the war; it leaned heavily on the staffs of cartelism and government aid. Moreover, many of the owning, financing and managerial groups of Europe are now tarred with the brush of collaboration. Our traditional American attitude seems to offer us the best guide: the pros and cons of nationalization are primarily something to be argued out by the people of the country concerned, and the United States will in-

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tervene only to secure proper compensation of American interests affected. Each case ought to be decided on its merits, and not by a blanket formula. Unfortunately, Americans are as likely to be "ideological" on these questions as are Socialists!

A good part of Europe is not participating in the Marshall program. The eastern countries that have chosen to stay out (also Spain, which was not invited) will, of course, receive no American aid. But trade will go on between these countries and the west, and that will give rise to perplexing problems. Will western European countries, or some of them, become ports of entry through which American exports will reach these other countries? Or will western European countries export to the east their own domestically-produced goods of the same sort that they are importing from the United States? There will be cases in which such trade may be justified; Polish coal, Finnish pulp, Soviet timber, Czechoslovakian manufactures, Jugoslav ores and Danubian foodstuffs will all be of value to western Europe. Some kind of politico-economic calculus will have to be applied to each transaction or agreement. By means of this continuing east and west trade something of the old economic interdependence of Europe may be maintained, though separate planning for the east and west will almost certainly tend toward divergence.

Secretary Marshall invited all Europe to plan for recovery. Mr. Molotov and the leaders of countries in the Russian orbit declined. But Britain and France maintain that the way is still open for eastern participation. "Our objective of the economic unity of Europe remains," said Under-Secretary for Foreign Affairs Mayhew in Parliament. "No doors have been slammed. . . . We regard, as we have always regarded, the proper and healthy development of Europe to lie in close and cordial relations between east and west." André Philip at a meeting of the Economic Commission for Europe said: "We shall do nothing to deepen the ditch that now exists in Europe." The great magnet for the east will still be the chance for American aid; the success of the Marshall Plan will increase its pull.

VII

By the Marshall Plan we can help the Europeans be what they want to be, independent and democratic peoples. That also is what we want them to be. The Marshall Plan, then, is politics as well as economics.

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American strength against European Communism will not be demonstrated in the political conditions which we might attach to our economic aid but in our success in carrying the reconstruction plan through to success. Neither the French nor the Italian Communists can afford to be against food, clothing, and jobs; they cannot keep their mass support on the basis of any such program. But by exploiting the difficulties and inequities that are bound to accompany reconstruction they might sabotage recovery. At their present strength, these Parties could probably block our program in France and Italy; but proper American tactics can force them to choose between opposing recovery and retaining their popular support. We must take care that in adapting the Marshall Plan to American politics we do not destroy the plan in Europe.

The Administration will, of course, have trouble in getting Congress to vote money for aid to Europe. The votes will come more easily if they can be painted as votes against Communism. The temptation to use blatant anti-Russian arguments will be strong, and Congress may attempt to attach anti-Communist conditions to the aid. Nothing would be more likely to strengthen the Communist Parties in France and Italy than such an attempt to dictate internal European politics.

A second world war, it was predicted, would destroy civilization. When that prediction proved false, our relief at escaping complete catastrophe was so great that we failed to recognize how close had been our escape, to see how much had been destroyed and, in particular, how badly the structure of European life had been weakened. We gave aid and made loans, but without an over-all view of Europe's needs. In our haste to resume our prewar way of life we were loath to burden ourselves greatly with Europe's troubles. Now after two years those troubles still persist. They trouble us as well as Europe. Secretary Marshall has given us and Europe a second chance to solve them. Since the Russians have abstained, his plan will deal in the first instance with the needs and resources of western Europe. But since it cannot artificially isolate 16 countries from the surroundings in which their economies have developed and with which they are interdependent, it will affect the fate of eastern Europe and Germany as well.

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THE PRESENT POINT IN HISTORY

By Arnold J. Toynbee

WHERE does mankind stand in the year 1947 of the Christian era? This question no doubt concerns the whole living generation throughout the world; but, if it were made the subject of a world-wide Gallup Poll, there would be no unanimity in the answer. On this matter, if any, *quot homines, tot sententiae;* so we must ask ourselves in the same breath: To whom is our question being addressed? For example, the writer of the present paper is a middle-class Englishman of 58. Evidently his nationality, his social milieu and his age, between them, will in large measure determine the standpoint from which he views the world panorama. In fact, like each and all of us, he is more or less the slave of historical relativity. The only personal advantage that he can claim to possess is that he happens also to be a historian, and is therefore at least aware that he himself is a piece of sentient flotsam on the eddying surface of the stream of time. Realizing this, he knows that his fleeting and fragmentary vision of the passing scene is no more than a caricature of the surveyor's chart. God alone knows the true picture. Our individual human *aperçus* are shots in the dark.

The writer's mind runs back 50 years, to an afternoon in London in the year 1897. He is sitting with his father at a window in Fleet Street, watching a procession of Canadian and Australian mounted troops who have come to celebrate Queen Victoria's Diamond Jubilee. He can still remember his excitement at the unfamiliar, picturesque uniforms of these magnificent "colonial" troops, as they were still called in England then: slouch hats instead of brass helmets, grey tunics instead of red. To an English child, this sight gave a sense of new life astir in the world. A philosopher, perhaps, might have reflected that, where there is growth, there is likely also to be decay. A poet, watching the same scene, did, in fact, catch and express an intimation of something of the kind. Yet few in the English crowd gazing at that march past of overseas troops in London in 1897 were in the mood of Kipling's "Recessional." They saw their sun standing at its zenith and assumed that it was there to stay — without their even needing to give it the magically compelling word of command which Joshua had uttered on a famous occasion.

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The author of the tenth chapter of the Book of Joshua was at any rate aware that a standstill of time was something unusual. "There was no day like that before it or after it, that the Lord hearkened unto the voice of a man." Yet the middle-class English in 1897, who thought of themselves as Wellsian rationalists living in a scientific age, took their imaginary miracle for granted. As they saw it, the evolution of history, for them, was accomplished. It had come to an end in foreign affairs in 1815, with the battle of Waterloo; in home affairs in 1832, with the Great Reform Bill; and in imperial affairs in 1859, with the suppression of the Indian Mutiny. And they had every reason to congratulate themselves on the permanent state of felicity which this ending of history had conferred on them. "The lines are fallen unto me in pleasant places; yea, I have a goodly heritage."

Viewed from the historical vantage point of A.D. 1947, this *fin de siècle* middle-class English hallucination seems sheer lunacy, yet it was shared by contemporary western middle-class people of other nationalities. In the United States, for instance, in the North, history, for the middle class, had come to an end with the winning of the West and the Federal victory in the Civil War; and in Germany, or at any rate in Prussia, for the same class, the same permanent consummation had been reached with the overthrow of France and foundation of the Second Reich in 1871. For these three batches of western middle-class people 50 years ago, God's work of creation was completed, "and behold it was very good." Yet, though in 1897 the English, American and German middle class, between them, were the political and economic masters of the world, they did not amount, in numbers, to more than a very small fraction of the living generation of mankind, and there were other people abroad who saw things differently — even though they might be impotent and inarticulate.

In the South, for example, and in France, there were in 1897 some people who agreed with their late conquerors that history had come to an end. The Confederacy would never rise from the dead; Alsace-Lorraine would never be recovered. But this sense of finality, which was so gratifying to top dog, did not warm a defeated people's heart. For them it was nothing but a nightmare. The Austrians, still smarting from their defeat in 1866, might have felt the same if the stirrings of submerged nationalities inside an empire whose territory Bismarck had left intact had not begun, by this time, to make the Austrians feel that history was

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once more on the move and might have still worse blows than Königgratz in store for them. English liberals at the time were indeed talking freely, and with approval, of a coming liberation of subject nationalities in Austria-Hungary and the Balkans. But, in spite of the specter of Home Rule and the stirrings of "Indian unrest," it did not occur to them that in southeastern Europe they were greeting the first symptoms of a process of political liquidation which was to spread, in their lifetime, to both India and Ireland and, in its irresistible progress round the world, was to break up other empires besides the Hapsburg monarchy.

All over the world, in fact, though at that time still under the surface, there were peoples and classes who were just as discontented as the French or the Southerners were with the latest deal of history's cards, but who were quite unwilling to agree that the game was over. There were all the subject peoples and all the depressed classes, and what millions they amounted to! They included the whole vast population of the Russian Empire of the day, from Warsaw to Vladivostok: Poles and Finns determined to win their national independence; Russian peasants determined to gain possession of the rest of the land of which they had been given so meager a slice in the reforms of the 1860's; Russian intellectuals and businessmen who dreamed of one day governing their own country through parliamentary institutions, as people of their kind had long been governing the United States, Great Britain and France; and a young and still small Russian industrial proletariat that was being turned revolutionary-minded by living conditions which made those of early nineteenth-century Manchester look like paradise by comparison. The industrial working class in England had, of course, improved their position very notably since the opening of the nineteenth century, thanks to the factory acts, the trades unions and the vote (they had been enfranchised by Disraeli in 1867). Still, in 1897, they could not, and did not, look back on the Poor Law Act of 1834, as the middle class did look back on the Reform Bill of 1832, as history's last word in wisdom and beneficence. They were not revolutionary, but, on constitutional lines, they were resolved to make the wheels of history move on. As for the Continental European working class, they were capable of going to extremes, as the Paris Commune of 1871 had shown in an ominous lightning flash.

This deep desire for changes, and strong resolve to bring them

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about by one means or another, was not, after all, surprising in an underdog, as represented by under-privileged classes and defeated or unliberated peoples. It was strange, though, that the apple-cart should be upset, as it was in 1914, by the Prussian militarists, who in truth had as little to gain and as much to lose as the German, English and American middle class by deliberately tearing open again history's insecurely closed book.

The subterranean movements that could have been detected even as far back as 1897 by a social seismologist go far to explain the upheavals and eruptions that have signalized the resumption of history's Juggernaut march during the past half-century. Today, in 1947, the western middle class which 50 years ago was sitting carefree on the volcano's crust, is suffering something like the tribulation which 100 to 150 years ago was inflicted by Juggernaut's car on the English industrial working class. This is the situation of the middle class today not only in Germany, France, the Low Countries, Scandinavia and Great Britain, but also in some degree in Switzerland and Sweden, and even in the United States and Canada. The future of the western middle class is in question now in all western countries; but the outcome is not simply the concern of the small fraction of mankind directly affected; for this western middle class — this tiny minority — is the leaven that in recent times has leavened the lump and has thereby created the modern world. Could the creature survive its creator? If the western middle class broke down, would it bring humanity's house down with it in its fall? Whatever the answer to this fateful question may be, it is clear that what is a crisis for this key minority is inevitably also a crisis for the rest of the world.

It is always a test of character to be baffled and "up against it," but the test is particularly severe when the adversity comes suddenly at the noon of a halcyon day which one has fatuously expected to endure to eternity. In straits like these, the wrestler with destiny is tempted to look for bugbears and scapegoats to carry the burden of his own inadequacy. Yet to do this in adversity is still more dangerous than to persuade oneself that prosperity is everlasting. In the divided world of 1947 Communism and capitalism are each performing this insidious office for one another. Whenever things go awry in circumstances that seem ever more intractable, we tend to accuse the enemy of having sown tares in our field and thereby implicitly excuse ourselves for the

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faults in our own husbandry. This is, of course, an old story. Centuries before Communism was heard of, our ancestors found their bugbear in Islam. As lately as the sixteenth century, Islam inspired the same hysteria in western hearts as Communism does in the twentieth, and this essentially for the same reasons. Like Communism, Islam was an anti-western movement which was at the same time a heretical version of a western faith; and, like Communism, it wielded a sword of the spirit against which there was no defense in material armaments.

The present western fear of Communism is not a fear of military aggression such as we felt in face of a Nazi Germany and a militant Japan. The United States, at any rate, with her overwhelming superiority in industrial potential and her monopoly of the "know-how" of the atom bomb, is at present impregnable against military attack by the Soviet Union. For Moscow, it would be sheer suicide to make the attempt, and there is no evidence that the Kremlin has any intention of committing such a folly. The Communist weapon that is making America so jumpy (and, oddly enough, she is reacting more temperamentally to this threat than the less sheltered countries of western Europe) is the spiritual engine of propaganda. Communist propaganda has a "know-how" of its own for showing up and magnifying the seamy side of our western civilization and for making Communism appear a desirable alternative way of life to a dissatisfied faction of western men and women. Communism is also a competitor for the allegiance of that great majority of mankind that is neither Communist nor capitalist, neither Russian nor western, but is living at present in an uneasy no-man's land between the opposing citadels of the two rival ideologies. Both nondescripts and westerners are in danger of turning Communist today, as they were of turning Turk 400 years ago, and, though Communists are in similar danger of turning capitalist — as sensational instances have shown — the fact that one's rival witch doctor is as much afraid of one's own medicine as one is afraid, oneself, of his does not do anything to relieve the tension of the situation.

Yet the fact that our adversary threatens us by showing up our defects, rather than by forcibly suppressing our virtues, is proof that the challenge he presents to us comes ultimately not from him but from ourselves. It comes, in fact, from that recent huge increase in western man's technological command over non-human nature — his stupendous progress in "know-how" —

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which was just what gave our fathers the confidence to delude themselves into imagining that, for them, history was comfortably over. Through these triumphs of clockwork, the western middle class has produced three undesigned results — unprecedented in history — whose cumulative impetus has set Juggernaut's car rolling on again with a vengeance. Our western "know-how" has unified the whole world in the literal sense of the whole habitable and traversable surface of the globe; and it has inflamed the institutions of War and Class, which are the two congenital diseases of Civilization, into utterly fatal maladies. This trio of unintentional achievements presents us with a challenge that is formidable indeed.

War and Class have been with us ever since the first civilizations emerged above the level of primitive human life some five or six thousand years ago, and they have always been serious complaints. Of the 20 or so civilizations known to modern western historians, all except our own appear to be dead or moribund, and, when we diagnose each case, *in extremis* or *post mortem*, we invariably find that the cause of death has been either War or Class or some combination of the two. These two plagues have been deadly enough, in partnership, to kill off 19 out of 20 representatives, to date, of this recently evolved species of human society; but, up to now, the deadliness of these scourges has had a saving limit. While they have been able to destroy individual specimens, they have failed to destroy the species itself. Civilizations have come and gone, but Civilization (with a big "C") has succeeded, each time, in reincarnating itself in fresh exemplars of the type; for, immense though the social ravages of War and Class have been, they have not ever yet been all-embracing. When they have shattered the top strata of a society, they have usually failed to prevent the underlying strata from surviving more or less intact and clothing themselves with spring flowers on exposure to the light and air. And when one society has collapsed in one quarter of the world it has not, in the past, necessarily dragged down others with it. When the early civilization of China broke down in the seventh century B.C., this did not prevent the contemporary Greek civilization, at the other end of the Old World, from continuing to rise towards its zenith. And when the Graeco-Roman civilization finally died of the twin diseases of War and Class in the course of the fifth, sixth and seventh centuries of the Christian era, this did not prevent a new nascent

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civilization from successfully coming to birth in the Far East during those same 300 years.

Why cannot Civilization go on shambling along, from failure to failure, in the painful, degrading but not utterly suicidal way in which it has kept going for the first few thousand years of its existence? The answer lies in the recent technological inventions of the modern western middle class. These gadgets for harnessing the physical forces of non-human nature have left human nature unchanged. The institutions of War and Class are social reflections of the seamy side of human nature — of what the theologians call original sin — in the kind of society that we call Civilization. These social effects of individual human sinfulness have not been abolished by the recent portentous advance in our technological "know-how," but they have not been left unaffected by it either. Not having been abolished, they have been enormously keyed up, like the rest of human life, in respect of their physical potency. Class has now become capable of irrevocably disintegrating society, and War of annihilating the entire human race. Evils which hitherto have been merely disgraceful and grievous have now become intolerable and lethal, and therefore we in this westernized world in our generation are confronted with a choice of alternatives which the ruling elements in other societies in the past have always been able to shirk — with dire consequences, invariably, for themselves, but not at the extreme price of bringing to an end the history of mankind on this planet. We are thus confronted with a challenge that our predecessors never had to face: We have to abolish War and Class — and abolish them now — under pain, if we flinch or fail, of seeing them win a victory over man which, this time, would be conclusive.

The new aspect of War is already familiar to western minds. We are aware that the atom bomb and our many other new lethal weapons are capable, in another war, of wiping out not merely the belligerents but the whole of the human race. But how has the evil of Class been heightened by technology? Has not technology already notably raised the minimum standard of living — at any rate in countries that have been specially efficient or specially fortunate in being endowed with the riches of nature and being spared the ravages of war? Can we not look forward to seeing this rapidly rising minimum standard raised to so high a level, and enjoyed by so large a percentage of the human race, that the even greater riches of a still more highly favored mi-

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nority will cease to be a cause of heart-burning? The flaw in this line of reasoning is that it leaves out of account the vital truth that man does not live by bread alone. However high the minimum standard of his material living may be raised, that will not cure his soul of demanding social justice; and the unequal distribution of this world's goods between a privileged minority and an underprivileged majority has been transformed from an unavoidable evil into an intolerable injustice by the latest technological inventions of western man.

When we admire aesthetically the marvellous masonry and architecture of the Great Pyramid, or the exquisite furniture and jewelry of Tut-ankh-Amen's tomb, there is a conflict in our hearts between our pride and pleasure in such triumphs of human art and our moral condemnation of the human price at which these triumphs have been bought: the hard labor unjustly imposed on the many to produce the fine flowers of civilization for the exclusive enjoyment of a few who reap where they have not sown. During these last five or six thousand years, the masters of the civilizations have robbed their slaves of their share in the fruits of society's corporate labors as cold-bloodedly as we rob our bees of their honey. The moral ugliness of the unjust act mars the aesthetic beauty of the artistic result; yet, up till now, the few favored beneficiaries of Civilization have had one obvious common-sense plea to put forward in their own defense.

"It has been a choice," they have been able to plead, "between fruits of civilization for the few and no fruits at all. Our technological command over nature is severely limited. We have at our command neither sufficient muscle-power nor sufficient labor to turn out our amenities in more than minute quantities. If I am to deny these to myself just because you cannot all have them too, we shall have to shut up shop and allow one of the finest talents of human nature to rust away buried in a napkin; and, while that is certainly not in my interest, it is surely not in yours either on a longer view. For I am not enjoying this monopoly of amenities exclusively for my own benefit. My enjoyment is at least partly vicarious. In indulging myself at your expense, I am in some sense serving as a kind of trustee for all future generations of the whole human race." This plea was a plausible one, even in our technologically go-ahead western world, down to the eighteenth century inclusive, but our unprecedented technological progress in the last 150 years has made the same plea invalid

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today. In a society that has discovered the "know-how" of Amalthea's cornucopia, the always ugly inequality in the distribution of this world's goods has become a moral enormity in ceasing to be a practical necessity.

Thus the problems that have beset and worsted other civilizations have come to a head in our world today. We have invented the atomic weapon in a world partitioned between two supremely Great Powers; and the United States and the Soviet Union stand respectively for two opposing ideologies whose antithesis is so extreme that, as it stands, it seems irreconcilable. Along what path are we to look for salvation in this parlous plight, in which we hold in our hands the choice of life or death not only for ourselves but for the whole human race? Salvation perhaps lies, as so often, in finding a middle way. And beyond the political and the economic elements there is another. As one middle-aged middle-class west European observer sees the world today, salvation cometh neither from the east nor from the west. In A.D. 1947, the United States and the Soviet Union are alternative embodiments of contemporary man's tremendous material power; "their line is gone out through all the Earth, and their words to the end of the World." But in the mouths of these loud-speakers one does not hear the still small voice. Our cue may still be given us by the message of Christianity and the other higher religions, and the saving words and deeds may come from unexpected quarters.

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THE EUROPEAN TERRITORIAL SETTLEMENT

By John C. Campbell

FIVE peace treaties were signed at Paris on February 10, 1947. These treaties — with Italy, Rumania, Bulgaria, Hungary and Finland — have aroused no strong opposition, and no noticeable enthusiasm, in the United States. The Senate ratified the Italian treaty by 79 votes to 10 and the others without a recorded vote. They were regarded as a necessary step in putting an end to armistice régimes and the military occupation of former enemy states. But the terms themselves and the manner of their negotiation seemed a far cry from the firm basis of an enduring peace for which the United States had hoped and planned during the war. Former Secretary Byrnes, who negotiated the treaties, ran no risk of contradiction when he called them "not perfect;" he defended them as the best we could get in the long, hard process of bargaining with our Allies. President Truman, on signing the instruments of ratification, stated that the terms were "not in full accord with our desires," and held out the possibility of later revision within the framework of the United Nations.

When we think of a peace settlement, we think first of all of boundaries. We want to know what the new Europe looks like on the map. And, as Dr. Isaiah Bowman recently pointed out in these pages, it is not just a question of lines and colors on the map, for territorial settlements touch deeply-rooted sentiments of individuals and groups and involve "all the complexities of civilization." [1] History has taught the American people to be concerned with the boundary disputes of Europe. Such disputes have been the occasion of the outbreak of two world wars into which we have been drawn. The territorial settlement of 1947, or rather of 1944–1947, deserves our attention. How was it made and how does it conform to American ideas of justice and American hopes for a peaceful Europe?

II

America, which had taken a leading part in tracing the frontiers of 1919–1920, only to withdraw from Europe and decline all responsibility for upholding them, bore its share of blame for the breakdown which occurred in 1938 and after. President Roosevelt and the State Department, in planning an active American rôle in making and maintaining the peace which would follow victory in the Second World War, recognized as of key importance: 1, an international organization both strong enough to preserve the peace against aggressors and flexible enough to relax pressures on boundaries by an orderly process of peaceful change; and 2, a territorial settlement which would of itself minimize friction and contribute to peace and stability. Whereas the American preparation for the Peace Conference of 1919 was done by the "Inquiry," a group of scholars working outside the State Department under the direction of Colonel House, the similar territorial studies undertaken between 1942 and 1945 were in the hands of a special committee headed by

[1] Isaiah Bowman, "The Strategy of Territorial Decisions," FOREIGN AFFAIRS, January 1946.

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Secretary Hull and Under Secretary Welles, and composed of State Department officials and a few prominent outside experts. With this committee, in later stages of the planning, there met several Senators and Representatives of both parties.[2] It was served by a group of State Department experts drawn largely from the universities but containing a sprinkling of experienced Foreign Service officers. The subcommittees of this Committee examined alternatives and recommended, in most cases, solutions deemed preferable from the point of view of long-term interests of the United States. In 1944 the Department's Committee on Postwar Programs approved a tentative position on each of the thirty-odd European boundary disputes.

Dr. Bowman, who was chief American territorial expert at Paris in 1919 and served as chairman of the State Department's subcommittee on territorial problems in 1942 and 1943, has pointed, in the article already cited, to the "principle of fairness" as the measuring stick which the United States must apply in working for a peace of justice buttressed by coöperative will and enterprise. This was one of the general criteria which determined the tentative American views arrived at during the war. Suggested solutions were weighed in terms of their probable contribution to peaceful and good-neighborly relations between the nations concerned. Economic, political, psychological and other aspects of each problem came into consideration in the application of the general principles. There was no thought of extensive changes or of an entirely new settlement. After all, the war was being fought against those who had violated the legal boundaries and had presumed to redraw the map of Europe to suit their own purposes. As a matter of principle, in the American view, the territorial changes made by Hitler and his allies must be nullified. On the other hand, the prewar frontiers were not regarded as sacred. Demands for their revision would be considered, as far as possible, on their merits.

Some territorial cessions, according to the tentative American views, would certainly be required of Italy, which had obtained territory beyond its ethnic frontiers after the First World War, subjected its Austrian and Jugoslav minorities to discrimination and persecution, and pursued a policy of aggression against its neighbors. As for the many territorial disputes of Danubian and Balkan Europe, the American plans envisaged only a few changes. Where two enemy states were involved, the purpose was to find the fairest and most stable solution. When it came to disputes between Allied and enemy states, the problem was admittedly more difficult for political reasons. Two enemy states, Hungary and Bulgaria, had their territory pruned after the previous war rather beyond what was called for by the language statistics or, some felt, by the dictates of justice; partly for this reason no reconciliation between them and the "satisfied" neighboring nations had taken place in the inter-war period. In the Second World War they again chose the wrong side, but the distinction between Allied and enemy nations in the Balkans was not always so clear as the Allied governments-in-exile would have had the world believe. All of them were victims of Hitler; all were divided internally; all (though admittedly in different degrees) had their collaborators and their resistance

[2] *Cf.* "Report to the President on the Results of the San Francisco Conference," Department of State Publication 2340, p. 20–31; also Hamilton Fish Armstrong, "Foreign Policy and Party Politics," *Atlantic Monthly*, April 1947, p. 56–64.

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movements. If long-term stability in this region was the American purpose, there was something to be said for avoiding, in territorial disputes, the ideas of rewarding our allies and penalizing our enemies. This would mean, for example, opposing the Greek claim to parts of Bulgaria. It might mean, to take another case, favoring Hungary's claim to the solidly Magyar-populated territory just across the frontier in Czechoslovakia. No firm decision was ever taken in Washington on this point. To suggest to Allied states that they give up territory was too high a political hurdle to jump — especially while the war was on. The immediate disadvantages were apparent; the long-term benefits were intangible. The United States would, of course, support any boundary changes which the parties immediately concerned might work out between themselves, but it was expecting a good deal of the governments which would make their appearance after the war to count on them to find constructive solutions, through direct negotiations, to frontier disputes that had kept these nations at odds for generations.

It was realized in Washington that this matter of trimming frontiers here and there in order to "improve" on the work of the Paris Peace Conference was not the central problem of the coming territorial settlement. The central problems were two — Germany and Russia. Our preliminary position on Germany, once the idea of partition was rejected, was to strip the Reich of all its gains made under Hitler, leave the frontier intact in the west (except for possible minor adjustments), and revise the frontier with Poland in the east. Danzig and a part of Upper Silesia would go to Poland. The "free city" solution for Danzig had been tried and had failed. German Upper Silesia had a large Polish population, and reunion of its industrial area with that of Polish Silesia would bring real economic benefits to Poland and perhaps to all of central and eastern Europe. East Prussia was a more puzzling item. If some solution, such as emigration, could be found for the problem of its German population, cession of East Prussia to Poland would happily eliminate the insoluble question of corridors and sub-corridors. Adding Danzig and East Prussia to Poland would not square with the Atlantic Charter, but the Germans were not to have the benefit of the Charter on this particular issue, over which they had thrown Europe into war in 1939. Two of our major Allies, France and Russia, had drastic plans for Germany's frontiers which paid even less heed to the Charter's provision against territorial changes "that do not accord with the freely expressed wishes of the peoples concerned."

More difficult even than the German frontiers were the territorial problems raised by Russia. Here the United States was dealing not with terms to be imposed on an enemy but with the appetite of an ally which was bearing the main burden of the war in Europe and was likely to be in a position to take by force the territories to which it laid claim. In the American view all territorial changes since Hitler's seizure of Austria, including Russia's gains in the period of partnership with Hitler, ought to be subject to review at the peace settlement. The State Department did not consider the Soviet-Finnish frontier of 1940, which deprived Finland of its second city and its best land and industries, as a solution likely to bring stability in the future. It did not condone Soviet seizure of the three Baltic states and hoped that they might again become independent, with Soviet security needs met by special arrangements

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for bases or other facilities. It saw the need of a shift of Poland's prewar eastern boundary, but not as far as the Ribbentrop-Molotov line of 1939 or the Curzon line, both of which would leave outside Poland as many as four million Poles and the Polish cities of Lwów and Vilna. It had no strong objection to the acquisition of Bessarabia and northern Bukovina by the U.S.S.R. but wished to keep open the possibility of changes, since the frontier which had been forced on Rumania in 1940 was by no means the ethnic line between Rumanians and Ukrainians.

The Soviet Government did not regard its western frontier, as it existed on June 22, 1941, as subject to discussion on the part of its allies or of any future peace conference. The United States was therefore faced with a difficult political decision. It could have made an attempt, when the German armies were still deep in Russia, to work out among the Big Three compromise solutions aimed at meeting Soviet security needs without incorporating into the Soviet Union, against their will, large numbers of Finns, Baltic peoples, Poles and Rumanians. An effort might have been made to use the machinery of the European Advisory Commission, established by the Moscow Conference of 1943 and meeting in London, to seek such solutions or at least to reach agreement on the principles which would guide the coming territorial settlement and on procedures for the occupation and administration of disputed areas pending final decisions on boundaries. Such an approach probably would have failed. That it was not attempted was as much due to Soviet reluctance as to American or British procrastination; but the result was to strengthen the Soviet conviction that the United States either had no real interest in the matter or could be outmanœuvred. The United States announced instead a policy of postponement of territorial questions till the peace settlement.

Within the Government various reasons were given for delay. But delay was not a policy which had unanimous approval by all concerned. Some advocated delay to give scope to a "cooling-off" process supposed to be desirable. Others urged action only to find that two of our Allies had opinions of their own as to timing and peacemaking. All recognized that the last phases of the war might have conclusive effects upon territorial solutions. It is difficult to dislodge a victor who has paid a high price in blood for territory essential to victory.

Our Soviet allies experienced no such division of opinion. As the Red Army swept westward into central Europe in 1944 and 1945, the Soviet Union was able to establish complete control of the region which contained the great majority of Europe's territorial disputes. It set its western frontier where it wished, even beyond the line of June 1941, adding to the territory held then the Petsamo district in Finland, the northern part of East Prussia and, by a direct agreement with Czechoslovakia, the province of Subcarpathian Ruthenia; on the Polish frontier the Russians made a slight concession, substituting a modified Curzon line for the partition line of 1939. Beyond the newly established border of the U.S.S.R., in the countries under Soviet occupation or control, the Soviets made such changes as they found it in their political interest to make.

The United States had a choice only between approving the frontiers set by the Russians, by silence or by express consent, and protesting against them. President Roosevelt has been condemned for choosing the former course.

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It is difficult to see how, with the war in progress, he could have done anything else. It was his purpose to hasten military victory and to maintain coöperation with the Russians as an essential element in building a new international security organization after the war. Should he have jeopardized this purpose by provoking a break with Russia over the latter's territorial demands on Finland and Rumania, countries which had joined Hitler and ravaged Soviet territory, when those demands were not as extreme as they might have been and were coupled with assurances that Finland and Rumania would retain their independence? As to Poland, the Curzon line, which Roosevelt accepted at Yalta, was not the fairest frontier but it was a reasonable one in many respects; it marked the eastward limit of the solidly Polish-populated area.

The return to Rumania of Transylvania "or the greater part thereof," as it was phrased in the armistice of September 1944, to which the United States was a party, was again a not unreasonable decision, since Rumania had held the province before the war. The United States would have liked to leave this question out of the armistice terms altogether, leaving the frontier settlement open, but the Russians were more concerned with immediate political and military advantage. Transylvania was the bait to hasten Rumania's surrender and to open the way into central Europe to the Red Army. The U. S. Joint Chiefs of Staff stressed the military importance of getting Rumania out of the war and hoped that political considerations would not delay Allied agreement on surrender terms. The State Department, which wanted neither to delay the surrender nor to break Allied unity, accepted the clause on Transylvania with the additional phrase "subject to confirmation at the peace settlement" suggested by Churchill, thus salvaging something of the policy of postponement.

A more important territorial change brought about by the Russians, and accepted by the United States, was the moving of Poland's western frontier to the Oder-Neisse line. The Yalta agreement had spoken of compensation to Poland in the west to balance the losses in the east, but nothing so drastic as this had been contemplated by the Americans. Such a solution not only created tremendous and immediate economic and social problems for the Allied administration of Germany; it also promised to be a source of trouble between Poland and Germany for the indefinite future. It may have served Russia's political ends, but it certainly did not serve the interests of Europe, of America, or even of Poland, which got more territory than it could digest and which it could hold only by leaning on Russia. Yet President Truman accepted this *de facto* frontier at Potsdam, when military necessity could no longer be given as a reason for such concessions. The Russians at Potsdam said that the area had already been turned over to the Poles, that the German population had fled, and that no other solution was possible. The Americans, in a poor bargaining position since they were unwilling to let the conference fail, settled for the additional provision that "the final delimitation of the western frontier of Poland should await the peace settlement." This the Russians, as in the case of Transylvania, interpreted to mean that the peace treaty would give formal sanction to the decision already taken, not that the question would be reopened. Their view seemed confirmed by subsequent American approval of the transfer to Germany of the Germans in the area taken over by Poland.

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The preparations undertaken by the United States for the territorial settlements to be made after this war necessarily followed a different approach from those we made before the Peace Conference of 1919. The peacemakers after the First World War developed ethnic and historic arguments and modified them for reasons of strategy that looked toward security or general freedom of trade and access to the sea. Differences of opinion existed among the Allied and Associated Powers; but there was an underlying determination to make peace as quickly as possible, and it was politically feasible to accomplish the purpose. The United States after the Second World War had available the preferred solutions of the territorial subcommittee of the Department of State as approved by the Policy Committee of the Department. What it lacked was timely agreement on principles with other Powers. When the peace treaty negotiations finally began, in September 1945, no general approach to a European territorial settlement had been agreed upon by the major Allies. There were, in fact, few boundary questions left to decide. There was a line running through Europe dividing the Soviet sphere from that of the western Powers. As the treaty negotiations turned out to be a phase of the contest between east and west for power and influence, the most hotly contested territorial issues were those which involved the location of that line: the dispute over Venezia Giulia and the controversies involving the northern frontier of Greece. In the treatment of these issues, considerations of strategy, power and prestige were paramount. East of the dividing line the United States showed little inclination to tilt at windmills by pressing for "ethnic lines" and "fair solutions." In the west, too, where the few outstanding boundary disputes had been held over for the peace settlement, political opportunism marked American as well as Soviet policy.

III

The negotiation of a peace treaty for Italy, the first item on the agenda of the Council of Foreign Ministers, presented three territorial disputes. Two were already familiar, having plagued the Peace Conference of 1919 and remained acute ever since: Venezia Giulia and South Tyrol. The French added the third by demanding changes in the Franco-Italian frontier.

Even in Italy, where the Soviet armies were not in the picture, it did not prove easy to keep claimant states from taking what they wanted first and negotiating later. French troops crossed the Alps after the German collapse to occupy the Val d'Aosta and other districts in which France was interested; they were withdrawn only after repeated requests by the Allied Mediterranean Command. Venezia Giulia, where the United States had hoped to see Allied Military Government established under the terms of the Italian surrender, Tito's Partisans regarded as Jugoslav national territory. Prior to the German surrender the Americans and British saw that, if they were to avoid being faced with a *fait accompli*, they would have to occupy Venezia Giulia before Tito or else make a deal with him to share the occupation. They chose the latter course. In negotiating with Tito in February 1945, Field Marshal Alexander, anxious for operational military reasons to make sure of getting control of Trieste and the routes to Austria, compromised on the principle of holding the whole disputed area under AMG until the final territorial settlement.

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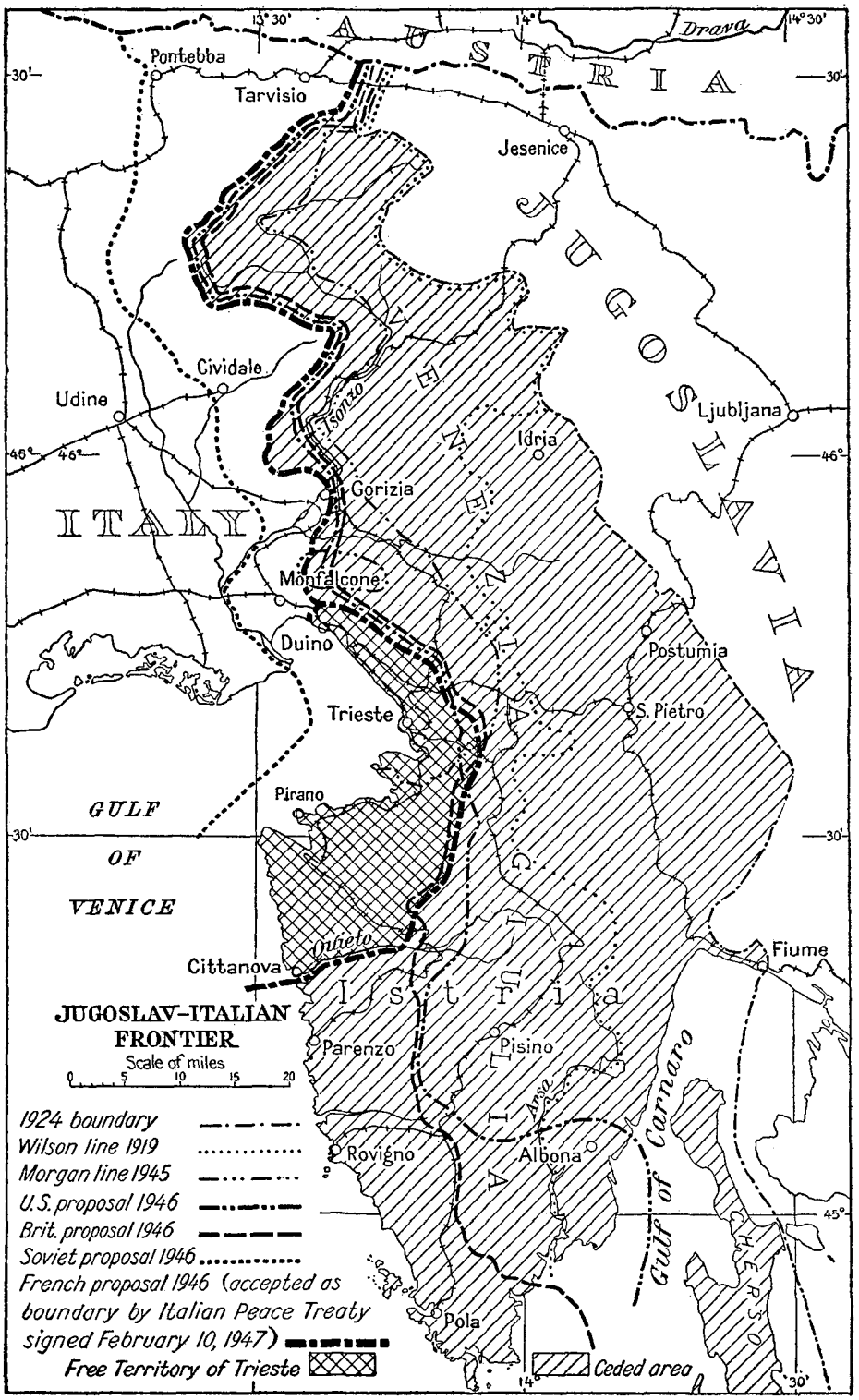

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But the area assigned to Jugoslav occupation, except the city of Fiume, was overwhelmingly Jugoslav in population and its ultimate disposition not seriously in dispute.

When the military break came at the end of April, the Jugoslavs not only occupied the area assigned to them but, proclaiming Jugoslavia's right to the whole of Venezia Giulia, raced for Trieste. The race ended in a tie when New Zealand troops and Tito's forces arrived at Trieste at about the same time. The western Powers decided to hold firm. The State Department announced its conviction that no territorial problem could be solved "by proclamations issued in the wake of an army on the march." Given a virtual ultimatum to get out of Trieste, Tito withdrew. But he managed to hold most of the rest of Venezia Giulia. The so-called Morgan line, which was agreed upon as the dividing line between the zone under AMG and the zone of Jugoslav occupation, left the Istrian Peninsula in Jugoslav hands. The Allies held only a narrow and much smaller area though it included the more important cities: Trieste, Gorizia and, in an isolated enclave, the port of Pola. As an interim régime pending the final territorial settlement, this *de facto* partition gave promise only of making that settlement difficult if not impossible. The situation called for a rapid decision on a permanent frontier, but this was a decision which the Council of Foreign Ministers, reflecting the Great Power rivalry behind the local dispute, found itself unable to make.

The American delegation came to London in September 1945, with a series of recommendations covering the territorial clauses of the Italian treaty. They reflected two currents of American policy. The first was the search for equitable solutions based on the will of the population concerned and on the factors making for long-term stability. The second, by this time much more noticeable than when territorial problems were under study during the war, was the desire to keep Italy in the American orbit. After the Balkans fell into Soviet hands and the Yalta agreements calling for a joint approach in eastern Europe broke down, Italy took on added significance as a part of the western democratic grouping. A harsh peace treaty which would play into the hands of Italian extremists might have a disastrous effect on the Anglo-American position in Italy and the Mediterranean. The United States wanted a treaty which a democratic Italy could accept. The American proposals put forward at London, accordingly, would have left Italy's frontiers with France and Austria intact, except for possible "minor rectifications," and would have placed the northeastern frontier in the neighborhood of the Wilson line of 1919.

The Franco-Italian frontier, the least important of the three disputes, took many months to settle and was allowed to exacerbate relations between France and Italy and among the Great Powers. The French, after entertaining more ambitious ideas, put in detailed demands in February 1946 for minor rectifications, in accordance with a Council decision which had accepted the American proposal on this point. The demands were, indeed, modest. Only mountain peaks and bits of pasture land were involved in claims to Petit Saint Bernard, Mont Cenis, Mont Thabor and Chaberton. The Mont Cenis claim was for strategic territory on the Italian site of the crest of the Alps. At Mont Thabor the French object was a road connection between Briançon and Modane; at Chaberton it was to deprive Italy of a fortified position dominating Briançon.

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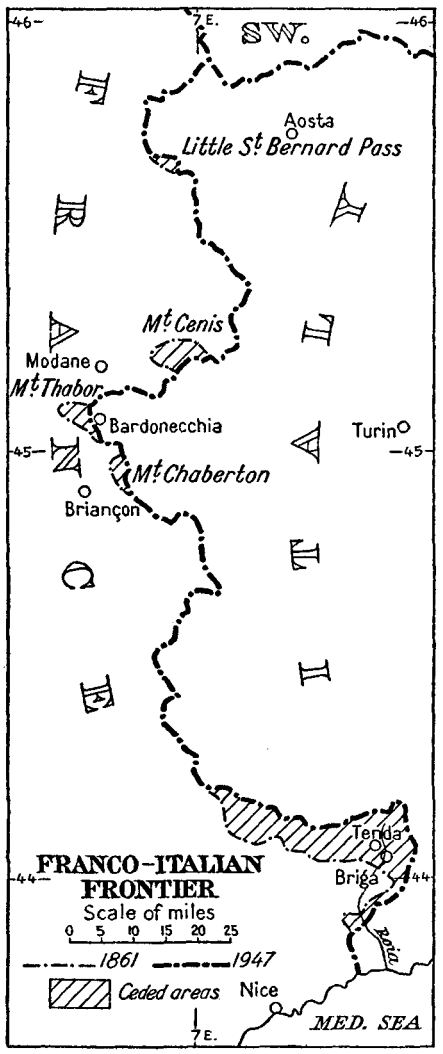
Only the demand for the Alpine towns of Briga and Tenda involved a resident population, some 5,000. It was unfortunate that the claims were made at all, as these areas had little importance and this had been a stable frontier since its establishment in 1861. The French apparently felt that they had to have something to show for being on the winning side; and this was the area where Fascist Italy, after setting up a clamor for Nice and Savoy, had delivered the "stab in the back" in 1940.



The matter could have been settled fairly quickly, but the western Powers, disturbed by the outcry it evoked in Italy and fearful of the cumulative effect on Italian opinion of territorial losses, military and naval limitations, and severe economic clauses, held up their approval to the cession of Briga and Tenda; Washington hoped that France might see the light and give up the claim or come to a direct compromise agreement with Italy. The Soviet Union also withheld its consent, trying to induce France to pay a price in the form of support of the Soviet position on other clauses. At the first Paris meeting of the Council of Foreign Ministers, in April and May 1946, the approach of general elections in both France and Italy was another factor making for postponement; none of the Powers wanted to provide its opponents with a campaign issue. Meanwhile the Council decided to apply some of the techniques of the 1919 peace settlement. It sent a commission on a flying visit to Briga and Tenda to ascertain the wishes of the population and to look into the question of the use of the hydroelectric power generated in the area.

The commission's report stated that the people spoke a dialect akin to those on both sides of the frontier and were not strongly or unanimously in favor either of France or of Italy; they seemed most interested in being able to trade with both. The Council's hydroelectric experts then worked out a scheme whereby the area's power would continue to be available to Italy in the event of its cession to France. By the time the Council met in its second Paris session on June 15, the United States and Britain were ready to agree to the French claim so long as the treaty safeguarded Italy's interest in power generated in former

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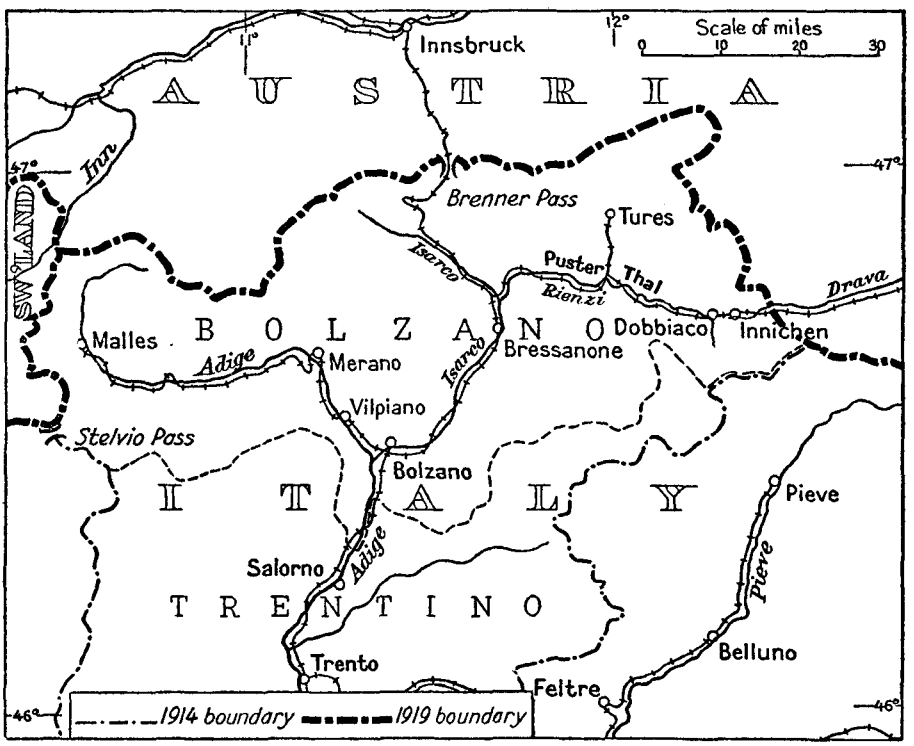
Italian plants and the use by Italy of water from rivers flowing toward Italy from the ceded territory. Mr. Molotov held off until the end of June, then agreed. The long delay had served to exasperate the French and to stir up a good deal of bad feeling on all sides. In the end, the United States got no credit in France for an understanding attitude and certainly got none in Italy by approving the demands after holding out hope that they might be modified or rejected.

In contrast to the attention given to ascertaining the wishes of the population of Briga and Tenda and to the economic aspects of that transfer, the Council's treatment of the more important question of South Tyrol was casual



in the extreme. In the State Department there had been a difference of opinion between those who favored the Austrian claim and those who felt that the greater importance of Italy for the American position in Europe was the decisive consideration. At the time of the London meeting of the Council in September 1945, this latter view held the ascendancy. The official American proposal stated that there should be no change in the prewar frontier, "subject to hearing any case Austria may present for minor rectifications in her favor." This proposal was accepted by the three other Powers without any discussion at all, a rather strange procedure in view of the history and importance of this problem, the justice of the Austrian case on ethnic grounds, and the fact that the phrase "minor rectifications," in this Alpine country where the frontiers

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ran along mountain crests and the entire population lived in three main valleys, obviously required interpretation.

This September decision haunted all subsequent treatment of the subject. The British and, to a lesser extent, the Americans began to feel that the Austrian case had been too summarily disposed of, although in shifting the province of Bolzano from AMG to Italian administration they seemed to regard the frontier question as closed. The Austrian Government never ceased reminding them that the return of South Tyrol would boost tremendously Austria's will and ability to survive as an independent nation. According to AMG figures for 1945, the area was still predominantly German-speaking despite the influx of Italians since 1919 and the departure of 75,000 to 100,000 Germans following the Hitler-Mussolini agreement of 1939 on option and transfer; some of these had returned and others were waiting to return. The Russians, for their part, saw no reason to do anything for Austria, especially after the election of November 1945 in which the Communists were badly defeated. The Soviet delegates on the Council stated, time and again, that the Austrian claim was not for a minor rectification, and refused to discuss it. Since it encompassed the whole of the province of Bolzano and a bit more, going even beyond the linguistic frontier which was roughly the boundary of that province, it was plainly not "minor." But it was hardly fair to rule out all discussion of the South Tyrol simply because the Austrians, unaware of the September decision, had claimed a large area instead of a small one. The Soviet refusal to let the Council inform Vienna of the September decision or to discuss the possibility of defining what, on the map, would be a minor rectification held up all discussion on the subject for months.

Finally, between the May and June sessions of the Council, Foreign Minister Gruber was invited to appear before the Deputies to present Austria's claim to minor rectifications. Without waiving the claim to all South Tyrol, he urged cession of the Brenner Pass and the Pusterthal, pointing to Austria's need of a direct connection, by this route, between north Tyrol and east Tyrol. He offered to guarantee to Italy special rights in the control and use of the power installations in the claimed area. The Council then put its hydroelectric experts to work again. Their report stressed the importance to Italy of the power plants, especially the big station at Bressanone, and resources. Mr. Bevin, indicating that he was impressed with these economic factors, cast his vote against any change in the frontier. The United States quickly agreed. The Russians had never favored a change, and the French were indifferent. Thus the decision was taken, in June 1946, to leave to Italy the Brenner Pass, the power station and the German-speaking population of South Tyrol.

The Foreign Ministers inserted in the draft treaty a clause providing for freedom of transit for Austria on the Pusterthal route. They did nothing about providing minority rights for the German-speaking inhabitants of South Tyrol. If the Great Powers did not realize that that was the main problem, Austria and Italy did. Gruber and de Gasperi negotiated a bilateral agreement which assured to the German-speaking inhabitants of Bolzano province and of the neighboring bilingual communes of Trento province "complete equality of rights with the Italian-speaking inhabitants, within the framework of special provisions to safeguard (their) ethnic character and (their)

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cultural and economic development." This agreement, which also promised an autonomous local legislature, was hailed by the British and American Governments as a great act of statesmanship, perhaps because they had a bad conscience over their own failure to meet the problem in drafting the Italian treaty. Their proposal that it be incorporated in the treaty was adopted at the Paris Conference, over the objections of Russia and her satellites, and was finally accepted by the Russians at the later meeting of the Big Four in New York.

One reason why the United States favored Italy over Austria in the South Tyrol question lay in the knowledge that Italy would find it hard to swallow its new frontier with Jugoslavia. Austria had no powerful defender among the Big Four. Jugoslavia did. Soviet support of Jugoslav claims to the whole of Venezia Giulia made it most unlikely that Italy could get as favorable a frontier as the Wilson line, which the Italy of 1919 had scorned. Much of the Council's discussion on Venezia Giulia was in terms of the "ethnic line." The Council decided in September 1945 that the frontier should follow the ethnic line "in the main," and that Trieste should have an international free port régime. But neither side in the controversy, in view of the decisions on the South Tyrol and other territories in which no heed was paid to the ethnic principle, was justified in taking a high moral stand on this argument. In practice the term proved its elasticity. The Jugoslavs and Russians found an ethnic line which from the Austro-Italian frontier at Pontebba ran southward to the sea at the mouth of the Isonzo; some half million Italians living to the east of that line were mere "ethnic islands." The Americans drew their ethnic line in the neighborhood of the old Wilson line, somewhat more favorable to Jugoslavia in the north and to Italy in the south; it would have left three to four times as many Jugoslavs in Italy as Italians in Jugoslavia.

The commission of experts, which visited the disputed area in March and April of 1946, based its findings on the last reliable census, that taken by Austria in 1910, and on its own observations and interviews in five cities and twenty-seven towns and villages. It was hardly expected that the experts would be able to agree on a recommendation for the final frontier. The investigation did nothing to bring the opposing views closer together. It is to the credit of the American member, however, that he obtained Soviet agreement to the factual report, which tended to support the American, British and French recommendations and showed up the Soviet recommendation as a glaring departure from the London decision. The Soviet line, even using 1910 figures, would have left 460,000 Italians in Jugoslavia and no Jugoslavs in Italy. The American line, which now ran well to the west of the Wilson line except at the extreme southern end where the Arsa coal mines were left on the Italian side, stretched a point or two in Italy's favor; east of it the Jugoslavs would outnumber the Italians 300,000 to 52,000 (including those in Fiume and Zara), and west of it the Italians would outnumber the Jugoslavs 383,000 to 191,000. Population figures compiled by AMG in 1945 indicated a much higher proportion of Italians west of the line: 492,000 to 143,000. The British line, which split Istria into roughly equal western and eastern parts, and the French line, which curved southwest to the sea below Trieste, divided the two minorities more evenly without changing substantially the

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number which would be left under alien rule. The French line left 115,000 Jugoslavs in Italy and 130,000 Italians in Jugoslavia (1910 figures).

Secretary Byrnes, at the first Paris meeting of the Council, defended the American line, then indicated his willingness to accept the British or French lines as a compromise. He thus put the United States on more solid ground with respect to the London decision of the previous September. Lines roughly similar to those proposed by the British and French had in fact been given serious consideration in Washington as possible compromises even before the London meeting; but there was never any idea of conceding anything further to Jugoslavia, or of depriving Italy of Trieste. Mr. Molotov, however, did not concern himself either with the London decision or with the facts reported by the commission. He supported the Jugoslav claim on the grounds that Venezia Giulia was an indivisible body which could not be cut in two; its general ethnic character was Jugoslav, therefore it should go to the heroic ally, Jugoslavia, not to the defeated enemy which had used it as a base for aggression. In an attempt to break the deadlock Mr. Byrnes, apparently on the advice of Senator Vandenberg, came forward with a proposal for a plebiscite in the area between the American and Soviet lines. This was the one occasion when this Wilsonian device was proposed by one of the Big Four in connection with the European territorial settlement. It would have been hard to find an area where it would be more difficult to apply and more unlikely to lead to an agreed solution. Conditions in Venezia Giulia were already conducive to unrest and violence. A campaign and plebiscite would have invited more intense feelings and increased violence. Probably it would have been more difficult to agree on how to hold a plebiscite and how to draw a frontier on the basis of its results than to agree on an ethnic line without benefit of the voice of the people. When the other delegations received the proposal with skepticism, it was quietly dropped.

By the end of the first Paris session of the Council, Trieste had become the leading international issue between east and west. Much was made in the press of the strategic factor and of the respective fears that in Jugoslav hands Trieste would be a Russian outpost on the Adriatic, in Italian hands an Anglo-American base for intervention in central Europe and the Balkans. This was probably less important as an obstacle to agreement than the factor of prestige. The Soviet Union had promised Trieste to Tito. If it failed to make good on its promise, its position, and that of the Communists throughout Europe, would suffer. The western Powers had decided, at Trieste, to call a halt to the expansion of Soviet power. Should they give in, their influence in western Europe, in France as well as Italy, would be gravely weakened. Neither side was willing to let the other have Trieste. The only possible solution, unless the treaty negotiations were to be abandoned and the Morgan line retained indefinitely, was one which would deny Trieste to both sides. Out of this situation came the Free Territory of Trieste.

When the Council reconvened in mid-June 1946, M. Bidault cautiously put forward the idea of an internationalized Trieste. Mr. Molotov took it up and circulated a map showing an international city entirely surrounded by Jugoslav territory. When this was instantly rejected, he fell back rapidly to a line including some of the suburbs, then to the Morgan line, with no greater suc-

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cess. M. Bidault, possibly in accordance with a prearranged plan, at this point suggested the compromise which eventually found its way into the treaty: the French line would be the western frontier of Jugoslavia; from the Austrian border to a point north of the coastal village of Duino it would also be the frontier of Italy; from the latter point to its southern terminus it would bound the new free territory of Trieste, which would have a narrow territorial link with Italy. The Russians, in accepting, let Tarvisio, Gorizia and Monfalcone go to Italy and gave up the Jugoslav claim to Trieste. The western Powers let all but a corner of Istria, with its considerable Italian population in the coastal towns, go to Jugoslavia, and they failed to save Trieste for Italy.

Italy and Jugoslavia both regarded this settlement as a national disaster. Many of the smaller nations called to the Paris Conference to discuss the draft treaties did not like it either. The Soviet satellites backed the original Jugoslav claim to Trieste; some of the other nations proposed enlarging the Free Territory to include a greater part of Istria. The Big Four themselves did not like the solution they had adopted, but they knew they could agree on no other. Knowing that also, the smaller nations at the Paris Conference saw the futility of trying to change it. Even Jugoslavia and Italy, after swearing to high heaven that they could never accept it, signed when the time came.

It would be unwise to condemn the Trieste settlement too hastily, unfair and unworkable as it appears to be. A fairer settlement might have proved equally unworkable. In Trieste, which depends on traffic to and from central Europe for its prosperity, a free port régime was established by the treaty in accordance with the London decision, but the city may well be doomed to decay no matter what the treaty provisions say. The settlement is also open to criticism in that it denies self-determination to the Italians of Trieste. It does, however, give the Free Territory a measure of self-government under the Statute. The Italians left in the area ceded to Jugoslavia, and Jugoslavs in Italy, are given the right to opt for Italian and Jugoslav citizenship respectively, and are guaranteed specified human rights if they are permitted to remain. Probably no boundary settlement between Italy and Jugoslavia, in the existing state of relations between those nations and among the Great Powers, would have any assurance of stability. If the Powers wish to make it work, they can do so. The history of the treaty negotiations offers little ground for optimism.

IV

The Rumanian treaty, first of the Balkan treaties to be taken up by the Council, presented no such critical problems as Trieste. Rumania's boundaries were settled before the negotiations began, though the frontier with Hungary was "subject to confirmation." The only question raised concerning southern Dobruja was whether its cession to Bulgaria, which took place in 1940 on Hitler's instigation and to the accompaniment of applause from Moscow, should be confirmed by the peace treaty. Rumania itself made no demand for its return. Bessarabia and northern Bukovina, having been handed over to the Soviet Union under the armistice terms, represented another historic territorial dispute which the Rumanian Government, now under the Soviet

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thumb, chose not to raise. From the prewar ethnic maps which Rumania submitted in order to show the Rumanian character of Transylvania, these lost provinces had been carefully expunged lest someone be reminded of the Rumanian character of the greater part of Bessarabia, now the Moldavian S.S.R.

Curious tactics on the part of the Soviet delegation raised American and British suspicions that the Soviet Union might be preparing to go beyond the line of 1940. Tsarist Russia, a century before, had followed its conquest of Bessarabia by taking over the mouths of the Danube. Soviet Russia, after seizing Bessarabia in 1940, had occupied several islands in the river over

Rumania's protest. In 1945 there were rumors that the Soviets had established frontier posts across the Danube, on the Rumanian side. The possibility that the Soviet Union wanted sovereign control over the only navigable (Sulina) branch of the Danube mouth and might eventually seek a territorial union with Bulgaria across the narrow Dobruja territory was not overlooked. The Soviet chairman of the Allied Control Commission in Bucharest had refused permission to the American member, General Schuyler, to visit the area, on the ground that it was under the jurisdiction not of the Commission but of the Soviet High Command. Meanwhile, in the Council of Foreign Ministers, the Soviet delegation dropped its former proposal that the restoration of the 1940 boundary should be mentioned in the peace treaty and resisted the demand

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of the western Powers that Rumania's frontiers be precisely defined in the treaty, either descriptively or on an annexed map. The British and Americans said that they were not challenging the frontier; they just wanted to know where it was. The so-called "agreement" of June 28, 1940, which had been published only in the form of the text of the Soviet ultimatum and a small-scale map in *Izvestia*, was anything but precise. Whatever the intentions of the Soviet leaders may have been, they finally gave in and produced a map to be annexed to the treaty. The line on the map followed the historic frontier of Bessarabia: the Prut, the Danube, and the northern arm of the Danube mouth. The western Powers thus succeeded in nailing the Russians down to recognition of a specific line. They might overstep it later, of course, but not without a violation, or agreed revision, of the peace treaty.

The only real territorial dispute in the Rumanian treaty concerned Transylvania. The Soviets came out flatly for the confirmation of Rumania's title to the entire province. They had installed a docile régime in Bucharest and presented to it, with great fanfare, the northern part of Transylvania which had been "awarded" to Hungary by Hitler and Mussolini in 1940, conquered by Soviet and Rumanian forces in the autumn of 1944, and placed under Soviet military government from then until March 1945. Soviet representatives in Budapest did not hesitate to talk of the possibility of doing something to meet Hungary's desires, but at London and Paris the Soviet delegation never changed its position of full support for Rumania. The fact that Rumania's Communist-dominated Government needed a popular national issue such as this to win support, while a failure to get any satisfaction on Transylvania would weaken the majority Smallholders Party in Hungary, was reason enough for the Soviet attitude. Should the political situation in the two countries change at some later date, that attitude might be changed accordingly. The Russians, like Hitler, were in a position to use the Transylvanian question as a means of keeping both Hungary and Rumania in line.

Study of the Transylvanian problem in Washington during the war led to the conclusion that it was insoluble so long as extreme nationalism guided the conduct of governments and national minorities in the Danubian area. No boundary change would help matters much, since the largest Hungarian bloc, some 450,000 Szeklers, lived in the eastern corner of Transylvania far from the Hungarian border. A territorial change might divide the respective minorities more evenly between Hungary and Rumania. That had already been tried under Hitler's Vienna Award, which had returned almost one million Magyars to Hungary but had transferred an even greater number of Rumanians along with them; it had proved anything but a fair and stable solution. A large-scale compulsory exchange of populations might create an ethnic line where none existed before, but it might also create more problems than it solved. The United States was not prepared to advocate a drastic solution of this sort, nor did it see much practical value in the idea of an independent Transylvania.

Without pretending to advocate a fundamental solution of the Transylvanian problem, the United States took the position that comparatively modest changes in the prewar boundary, returning to Hungary some solidly Magyar-populated cities and districts, might provide a basis for better relations be-

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tween the two countries. At London in September 1945 Mr. Byrnes suggested that this possibility be studied. Neither the Soviets nor the British showed any enthusiasm. The latter felt that a change in the frontier would only exasperate Rumania without really satisfying Hungary and would harm rather than benefit Britain's position in eastern Europe. The United States had then to decide whether to press for revision or to let the matter drop. Since the population statistics indicated that a line drawn with the purpose of transferring a maximum of Magyars and a minimum of Rumanians to Hungary, without regard to geographic and economic considerations, would not reduce the number under alien rule by more than 150,000, it was decided to accept the old boundary if the treaty contained a further provision pledging the signatories "to recognize any rectification which might subsequently be mutually

agreed between Hungary and Rumania and which would substantially reduce the number of persons living under alien rule." The idea was to indicate recognition of the fact that restoration of the Trianon frontier was not the final answer to the Transylvanian problem. When the question came before the Council of Foreign Ministers in May 1946, Mr. Byrnes dropped even this proviso. With so many clauses in the four treaties in dispute between the United States and the Soviet Union, this one did not seem worth arguing about any longer. Unfortunately, the decision to restore all of Transylvania to Rumania was taken without even giving Hungary a hearing, a circumstance which added to the resentment and disappointment felt in that country.

Both Hungarians and Rumanians came to the Paris Conference in July armed with maps, statistics and historical arguments, but the decision of the Council of Foreign Ministers had already settled the question. The Great Powers were committed to support that decision at the conference and did so, although the American delegation took the opportunity to point out how it

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had been reached and was pleased to see the Australians propose that the conference really look into the facts and see if a fairer ethnic frontier might be found. The Hungarians, invited to present their views, first claimed a wide belt of territory, about 7,700 square miles, containing more Rumanians than Hungarians, then reduced their demands to smaller areas on the border including the largely Hungarian cities of Szatmár (Satu-Mare), Nagyvárad (Oradea Mare), and Arad. But even here the population of roughly 500,000 was less than two-thirds Hungarian, and the economic arguments were mostly on the Rumanian side. The Australian proposal evoked very little support, and the conference, in plenary session, finally accepted the prewar frontier without a dissenting vote.

V

Hungary's other major territorial dispute, with Czechoslovakia, was not discussed by the Council of Foreign Ministers prior to the Paris Conference. Being a defeated enemy, Hungary was hardly in a position to make territorial claims on an Allied state, but the Czechs themselves opened up the question by demanding five Hungarian towns opposite Bratislava to enlarge their bridgehead on the right bank of the Danube, and by seeking international sanction for their plan to transfer 200,000 of their Magyar minority to Hungary. About 100,000 others were expected to be exchanged on a voluntary basis in accordance with a bilateral agreement signed the preceding February, and the remainder (approximately 200,000 by Czechoslovak and 350,000 by Hungarian estimates) would be "re-Slovakized." Once Czechoslovakia began to talk about getting rid of its Hungarian population, in order to make Czechoslovakia a homogeneous national state, Hungarian spokesmen took the occasion to point out that the easiest way to dispose of the Hungarian minority was to dispose also of the land on which it lived.

The American delegation at Paris was not at all in sympathy with the Czechoslovak desire to uproot and expel 200,000 persons but was willing to consider it in connection with a possible general settlement of Czechoslovak-Hungarian differences. In meetings of the Deputies of the Big Four, held at the time of the Paris Conference, American representatives urged that the Great Powers jointly help the Czechs and Hungarians to work out a settlement based on mutual concessions on which stable and friendly relations could be built. An exchange of territory satisfying Czechoslovakia's desire for additional territory opposite Bratislava and giving Hungary a portion of the overwhelmingly Hungarian-populated territory adjacent to the frontier would reduce the scope of the population transfer. Even a token gain of territory would enable Hungary to accept more easily the forced migration of thousands of Hungarians from Czechoslovakia. A statesmanlike solution of the problem was possible if the Great Powers could have agreed on its essentials. Hungary, naturally, was eager to make such a deal, but, without the coöperation of the Soviet Union, American or British suggestions to Czechoslovakia could have no effect. The Czechs, sensing the situation, chose to have their claims heard and judged by the conference rather than to make a backstage bargain with Hungary involving the cession of Czechoslovak territory. Understandably, they resented the idea of treating Hungary as an equal. "Who won this war,"

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asked Jan Masaryk in one of his speeches to the conference, "the United Nations or Hungary?"

When the conference took up the Czechoslovak demands for the Bratislava bridgehead and for the transfer of 200,000 Hungarians, American efforts were devoted to a search for compromise solutions. The final decisions, accepted by Czechoslovakia and unanimously adopted by the conference, represented a reduction of the territorial claim and a postponement of the question of population transfer. Czechoslovakia was given three villages opposite Bratislava instead of five, and Hungary was obliged to enter into negotiations with Czechoslovakia to "solve the problem" of the latter's inhabitants of Magyar origin. The United States regarded direct negotiations, on the model of those undertaken by Austria and Italy on the South Tyrol, as a fruitful approach to more equitable and durable settlements of the outstanding differences between Hungary and her neighbors over territorial and minority questions. In a sense it was an evasion of responsibility for the Powers charged with negotiating peace treaties to turn over the tough problems to the parties least likely to agree on solutions. There was little possibility that Hungary and Czechoslovakia would reach a settlement. Yet if they did, it would have greater prospect of permanence than a decision imposed on one or both of them. The treaty clause, as finally drafted, took account of the likelihood of failure. Should no agreement be reached within six months of the coming into force of the treaty, Czechoslovakia has the right to bring the question before the Council of Foreign Ministers and request its assistance in effecting a final solution.

The Hungarian delegates at the Paris Conference, who represented a government which included Communists but had not yet been brought under Communist control, wanted a peace treaty which would give Hungary some chance to maintain political and economic independence. They tried desperately to get western support for territorial gains and for provisions protecting the rights of Magyar minorities in surrounding states. In their view a treaty without some satisfaction on these points would be a national disaster "worse than Trianon," which the pro-western, democratic elements which then had a majority in the government could not be expected to survive. The American delegation, aware of that situation, did what it could to hold open the possibility of frontier rectifications where purely Hungarian towns and districts were involved; it sympathized with the Hungarian concern over the persecution of Magyars in neighboring countries, but believed that this was a matter for the United Nations to deal with under agreements for the protection of human rights, not for the peace treaties; the old minorities treaties had not proved a conspicuous success, as the Hungarians themselves had had occasion to learn. In general, the United States sought fair terms for Hungary, but it did not want to place itself in the position of Hungary's champion against Allied nations. American relations with Czechoslovakia had to be considered. Furthermore, Hungary's record as a junior partner of the Axis, both before and during the war, hardly entitled her to over-sympathetic treatment at the peace settlement. That was the main reason why the Hungarians, despite the validity of many of the arguments they presented, found so few friends at Paris, even among the democratic nations outside the Soviet bloc.

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VI

The draft treaty for Bulgaria submitted to the Paris Conference, like that for Hungary, contained one territorial clause on which the Great Powers had reached a tentative agreement to maintain the existing frontier but indicated a willingness to consider the views of the interested states, Greece and Bulgaria. This was more than an old and bitter Balkan boundary dispute. It involved the frontier between the eastern and western blocs.

Greece, which still had the large appetite for territory it had displayed in 1919, claimed a broad band of territory in southern Bulgaria as necessary to protect its northern provinces, invaded three times within a generation. As a companion claim, the Greeks demanded northern Epirus from Albania and would have liked to round out a new strategic frontier by adding Jugoslav territory as well but did not think it wise to put forward claims against an-

other Allied state. Bulgaria countered by asking for western Thrace, the area between the Mesta and Maritza rivers, on the grounds that this outlet to the Aegean had been wrongfully taken from Bulgaria in the past. This claim by an enemy state to territory occupied with Hitler's help during the war certainly would not have been made without Soviet prompting. The Jugoslav delegation completed the picture by introducing the Macedonian question in its new form, affirming the right of the new Macedonian Peoples Republic, a part of Jugoslavia, to Greek Macedonia and the port of Saloniki.

There was little or no justification for any of these claims on ethnic grounds. There were virtually no Greeks among the 380,000 inhabitants of the area claimed from Bulgaria and no more than 40,000, by impartial estimates,

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in northern Epirus. Greek Macedonia and western Thrace, since the exchanges of population in the 1920's, were overwhelmingly Greek. The most sensible solution would have been to throw out all the claims and retain the existing frontiers. The atmosphere at Paris did not favor a sensible solution. The Soviets and their supporters bitterly assailed the Greek Government and came out with statements that the Bulgarian claim was justified, while Britain proposed to back the Greeks in order to strengthen the Greek Government against attacks from the left. The American delegation, because of the tense situation in Greece and the importance of keeping that country out of the Soviet orbit, was reluctant to let the Greeks down even though it regarded the acquisition of a few mountain passes and a large indigestible bloc of alien population as a poor way to seek security. A certain amount of pressure from Greek-American and Philhellene groups in the United States made it more difficult to dismiss the Greek demands out of hand. On the day the Paris Conference opened the United States Senate, with a lordly disregard for the merits of the case, had passed unanimously a resolution supporting the Greek claims to northern Epirus.

One by one, however, the conference disposed of the claims and counter-claims. The Greek case against Albania was not discussed, since the conference had met only to deal with the five peace treaties. The Council of Foreign Ministers, whose original terms of reference included "territorial questions outstanding on the termination of the war in Europe," could have taken it up, but Molotov had already vetoed discussion of it there. When the oratory was over, the Bulgarian claim to western Thrace was then quietly dropped by the Russians, an indication that they would settle for agreement on the prewar Greek-Bulgarian frontier. The Jugoslavs said nothing further about their rights to Greek Macedonia. The United States, after having given the Greeks a good deal of encouragement without any definite commitments, came out against any territorial change and proposed as a substitute, to satisfy the Greek desire for security, the demilitarization of the Bulgarian side of the border. This latter proposal was adopted, over Soviet objection, but in a surprising revolt the British Dominions and smaller western nations refused to accept the view that Greece should get no territory. Twelve nations out of 21 abstained when it came to a vote. Greece, in their eyes, had played a heroic part in the war. The repeated insulting attacks by Soviet spokesmen had had the effect of rallying them to her support. Though not voting in favor of the Greek claims, they refused to vote against them. Thus the question went back to the Council of Foreign Ministers without a recommendation by the conference.

Mr. Bevin, at the subsequent meeting of the Council in New York, made a last attempt to save something of the original Greek claim. He proposed a few small modifications of the frontier which would improve Greece's defensive position. Mr. Byrnes gave him no support and Mr. Molotov remained firm; the latter did, however, agree to the non-fortification of the Bulgarian side of the frontier. The final treaty left Greece and Bulgaria facing each other across their prewar boundary, to the Greeks a symbol of insecurity, to the Bulgarians a symbol of their thwarted desire for an outlet to the Aegean Sea.

Bulgaria's frontier with Jugoslavia was left intact. Here there was no con-

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troversy, merely a spate of talk about brotherly relations between the two Slav nations. If anything is to be done about the Macedonian issue, which troubled Serb-Bulgarian and Jugoslav-Bulgarian relations for so many years, it will be done under Soviet auspices, possibly through the union of Bulgarian with Jugoslav Macedonia as a step in the making of a South Slav union "from Villach to Varna."

VII

With the conclusion of the five minor peace treaties, the postwar map of Europe is nearly completed. Germany and Austria still cannot be shown within their final treaty frontiers, but no great changes are likely. The French proposal for separating the Rhineland and the Ruhr from Germany, opposed by the United States, Britain and Russia, has no chance of acceptance. The American attempt to supplant the Oder-Neisse line drawn at Potsdam with a permanent frontier further to the east has little chance of success so long as the Poles stand their ground and the Russians back them up. The Jugoslav claim to Carinthia, the one territorial problem of the Austrian treaty, has been supported only by the Soviets, who in this case are not in a position to hand over the disputed area to their clients. Little reason exists for changing a frontier which was fixed after a plebiscite in Carinthia in 1920 and which runs along a high mountain barrier. Austria, moreover, can scarcely be expected to exist as an independent state if confined to an area even smaller than that which it had before the Anschluss.

The new territorial settlement is open to serious criticism. It leaves intact many of the 1919 frontiers which, on the basis of experience, should have been changed, and it establishes others which go far beyond any of the more cynical decisions of 1919. The Paris Peace Conference produced nothing like the Potsdam decision on eastern Germany and its corollary of the mass expulsion of some 9,000,000 Germans from their homes. Perhaps American statesmanship and diplomacy did not adequately meet the challenge which these problems posed. But no diplomacy could alter the fact that the Soviet Union had become the strongest power on the Continent. In eastern Europe it was able to fix the frontiers where it liked. Elsewhere, as at Trieste, it was able to force the acceptance of unsatisfactory compromises. The United States had to accept these solutions or else give up the quest for peace through agreement among the major Powers.

The rôle of the Soviet Union in the peace settlement is what makes the picture so profoundly different from that of 1919. Territorial disputes have been important issues only in relation to the conflict between two great constellations of power. In eastern Europe the crucial question was not where the western frontier of the Soviet Union was to be fixed, but how far into Europe the zone of Soviet control would extend. Inside that zone it was of little importance whether the boundary between two Communist-dominated states followed the ethnic line or any other line. On the edge of the zone, it mattered little whether the frontiers fixed were equitable as between the states immediately concerned, so long as the main problem remained that of the expansion of Soviet power and the Anglo-American attempt to contain it. The decision on the Greek frontier was a reasonable one as between the claims and interests

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of Greece and Bulgaria, but since pressure on Greece continues, with the aim of capturing that country for the Soviet bloc or of pinching off its northern provinces, it remains the most unstable and dangerous frontier in the world. Of what value is any agreement on Trieste if the Russians and Jugoslavs do not accept it in good faith? Or again, of what importance is the location of Germany's eastern frontier if Germany itself is to remain split at the Elbe?

Although it had hopes, the United States really had no chance of bringing about, by diplomacy, the creation of a Europe such as American wartime planning envisaged, a Europe of relatively independent states coöperating under the higher law of a general international organization. The only settlement that proved possible was one which recognized the existing distribution of power. Mr. Byrnes had to accept compromises on territorial and other issues which did not conform to American hopes and American principles. But the Soviet leaders also were forced to make concessions. Mr. Byrnes negotiated a settlement which kept the way open to a general agreement with Russia, and at the same time he stood firm against Russian expansion into western Europe and the Mediterranean. Those were the crucial issues. Dissatisfaction over some of the territorial decisions is legitimate, but these decisions should be seen in their proper perspective. If Europe ever does attain stability, if some way is found to reconcile Soviet and American interests, if the United Nations organization develops into a going concern, then it should be possible for the world's statesmen to look again at the map of Europe and to make changes which are called for by the interests of the European peoples themselves.

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RECENT BOOKS ON INTERNATIONAL RELATIONS

By Robert Gale Woolbert

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General: Political, Military and Legal

STATES AND MORALS. By T. D. WELDON. New York: Whittlesey House (London: Murray), 1947, 301 p. $3.00.

A skilful survey of political theory, focussed on the conflict between the organic and the democratic concepts of the state, leading to the conclusion that the hope of a world superstate is a perilous delusion.

THE STRUGGLE FOR THE WORLD. By JAMES BURNHAM. New York: Day, 1947, 248 p. $3.00.

The author of "The Managerial Revolution" postulates the inevitability of a conflict between the United States and a Soviet Union embarked on a calculated career of world conquest. He finds that objective conditions, in particular the atomic bomb, call for a universal state (he cites Toynbee) created under the aegis of a single Power, since the formation of a voluntary world government is presently impossible. He therefore urges the American people to prepare for the final showdown by going on a permanent war footing, with all that this involves in loss of personal, political and economic liberties.

WAR OR PEACE? By LIONEL CURTIS. New York: Oxford University Press, 1947, 66 p. $1.25.

Mr. Curtis continues, in this persuasive tract, to plead for federation among the democratic peoples as a prelude to real world government.

WAR OR PEACE? By SCOTT NEARING. New York: Island Press, 1946, 96 p. $1.00.

An old-line American Leftist views the future bleakly unless we do 10 specific things, among them establish a world government.

LOS VIRAJES HACIA LA GUERRA, 1934–1939. By JESÚS PABÓN. Madrid: Rivadeneyra, 1946, 237 p. Ptas. 15.

A professor of contemporary history at the University of Madrid intelligently analyzes what he regards to be the four "turning-points" that led to World War II.

DIPLOMATIC HISTORY, 1713–1933. By SIR CHARLES PETRIE. London: Hollis, 1947, 384 p. 18/.

A readable summary for the layman but inadequately annotated and documented for the serious student.

THE WORLD CHARTER AND THE ROAD TO PEACE. By STUART CHEVALIER. Los Angeles: Anderson, 1946, 179 p. $2.00.

In addition to the texts of the United Nations Charter, the Statute of the International Court of Justice and other multilateral instruments, the author has included his own interpretations.

THE UNITED NATIONS YEAR BOOK 1946. EDITED BY H. R. MADOL. London: Hutchinson, 1946, 249 p. 25/.

A collection of documents dealing with the origins of the United Nations and a mis-

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cellaneous and not especially useful lot of data about the member nations. This is the first of a projected series of annual volumes.

THE UNITED NATIONS ORGANIZATION HANDBOOK. By Andrew Boyd. New York: Pilot Press, 1946, 210 p. $2.50.

A far from up-to-date or reliable guide.

FÜHRERS MUST FALL. By Michael Osten. London: W. H. Allen, 1945, 160 p. 7/6.

After examining the careers of sundry dictators from Caesar to Hitler, Osten concludes that only a new attitude toward political power on the part of mankind can break the sequence.

THE DESIGN OF DEMOCRACY. By George Washington Goble. Norman: University of Oklahoma Press, 1946, 248 p. $2.75.

An interpretation in which a law professor at the University of Illinois seeks to reconcile the preservation of political and civil liberties with government regulation of economic life.

THE WEB OF GOVERNMENT. By R. M. MacIver. New York: Macmillan, 1947, 498 p. $4.50.

An academic and philosophical treatise on the origins, development and forms of government, by a professor of sociology at Columbia. Mr. MacIver regards the United Nations as a step backward from the League of Nations.

DICTATORSHIP AND POLITICAL POLICE. By E. K. Bramstedt. New York: Oxford University Press, 1947, 275 p. $4.75.

This volume in Karl Mannheim's "International Library of Sociology and Social Reconstruction" analyzes the "technique of control by fear" employed by Napoleon, by the Fascist régime in Italy and by Hitler's Gestapo.

PATRIOTISM OR PEACE? By Adam de Hegedus. New York: Scribner, 1947, 266 p. $3.00.

An historical and critical analysis of nationalism, which the author finds to be the primary cause of our two world wars.

THE COLONIAL AND COLOURED PEOPLES. By N. G. Ranga. Bombay: Hind Kitabs, 1946, 222 p. 8/6.

The author is the founder of the Coloured and Oppressed People's Front and he is quite bitter about the iniquities of white imperialism. In this small volume he presents his program for colonial emancipation.

GESCHICHTE UND ÜBERWINDUNG DES IMPERIALISMUS. By Rudolf Steiner. Zurich: Europa Verlag, 1946, 205 p.

Six anti-imperialist lectures, delivered in 1920 and 1922 by a Swiss student of history.

THE PROBLEM OF REDUCING VULNERABILITY TO ATOMIC BOMBS. By Ansley J. Coale. Princeton: Princeton University Press, 1947, 116 p. $2.00.

How to survive atomic warfare is explained in this report prepared for the Committee on Social Aspects of Atomic Energy of the Social Science Research Council.

MAKING INTERNATIONAL LAW WORK. By George W. Keeton and Georg Schwarzenberger. London: Stevens, 1946, 266 p. 12/6.

A revised edition of a solid work first reviewed in our issue for October 1940.

L'OCCUPATION ALLEMANDE PENDANT LA DERNIÈRE GUERRE MONDIALE. By C. M. O. Van Nispen Tot Sevenaer. The Hague: Nijhoff, 1946, 324 p. Fl. 12.

An exhaustive juridical monograph, dealing with World War I.

LE TRIBUNAL MILITAIRE INTERNATIONAL DES GRANDS CRIMINELS DE GUERRE. By Jacques Descheemaeker. Paris: Pedone, 1947, 122 p.

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A legalistic description of the Nuremberg trial — its organization and procedure, the competence of the court, and the judgments. Documents and a brief bibliography.

JUSTICE AT NUERNBERG. By Charles W. Alexander and Anne Keeshan. Chicago: James, 1946, 187 p. $5.00.

A photographic record of the persons and the proceedings.

22 CELLS IN NUREMBERG: A PSYCHIATRIST EXAMINES THE NAZI CRIMINALS. By Douglas M. Kelley. New York: Greenberg, 1947, 245 p. $3.00.

A report on each of the Nazi defendants by the official American psychiatrist at Nuremberg.

THE BRITISH YEAR BOOK OF INTERNATIONAL LAW 1945. Edited by H. Lauterpacht. New York: Oxford University Press (for the Royal Institute of International Affairs), 1947, 341 p. $7.00.

Original contributions (11), notes, legal decisions and book reviews comprise this 22nd issue.

JOURNEY TO THE END OF AN ERA. By Melvin Hall. New York: Scribner, 1947, 438 p. $3.75.

Adventures — exotic, hilarious and otherwise — in various parts of the globe, notably Central Asia and Persia, where the author was for a time Acting Treasurer-General.

A BOOK OF RECENT EXPLORATION. By Charles E. Key. London: Harrap, 1946, 233 p. 8/6.

The author retells the story of expeditions conducted during the twenties and thirties by various explorers into a number of out-of-the-way places. Illustrations and maps.

INFORMATION PLEASE ALMANAC 1947. Edited by John Kieran. Garden City: Doubleday, 1947, 1014 p. $2.00.

Data of all sorts presented in more pleasing form than in the conventional almanac of the past.

L'ÉVOLUTION DU MONDE: CHRONOLOGIE 1945. By Roger Céré and Henry Peyret. Paris: Société d'Éditions Françaises et Internationales, 1946, 607 p.

A detailed chronology of economic and social as well as political developments of the year, arranged by country, with a chapter on "international politics" and an appendix of documents.

VOICES OF HISTORY 1945-46. Edited by Nathan Ausubel. New York: Gramercy, 1946, 810 p. $4.00.

Speeches and documents on political topics by important personages in many countries.

General: Economic and Social

THE TRADE OF NATIONS. By Michael A. Heilperin. New York: Knopf, 1947, 234 p. $3.00.

Addressed to the general public, this book is a good exposition of the liberal view of international trade and finance. It is very comprehensive, dealing with current issues as well as fundamentals. As is almost inevitable in a work of this kind, some of the simplifications may be a bit misleading.

TOWARDS WORLD PROSPERITY. Edited by Mordecai Ezekiel. New York: Harper, 1947, 455 p. $5.50.

These essays on the economic position of the principal foreign countries contain a fair amount of recent information. The focus of the book is on the future economic development of each of these nations, and particularly on their industrialization. Its tone is optimistic — provided the capital is forthcoming.

THE DIVINE RIGHT OF CAPITAL. By C. E. Ayres. Boston: Houghton, 1946, 214 p. $3.00.

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According to Ayres, "absolute capitalism," like absolute monarchy, is due to be replaced; "limited capitalism" rather than traditional Socialism is his candidate. Emphasizing real as opposed to money capital, he suggests reforms based on the theory that depressions are principally caused by under-consumption. To a considerable extent this volume is a more popular exposition of "The Theory of Economic Progress," published a few years ago.

ECONOMIC POLICY AND FULL EMPLOYMENT. By Alvin H. Hansen. New York: Whittlesey House, 1947, 340 p. $4.00.

A leading American proponent of Keynesian economics sets forth his views on employment programs, American and foreign, reiterating his well-known emphasis on the need for government spending in periods of depression.

EL INTERVENCIONISMO DEL ESTADO EN LAS ACTIVIDADES ECONÓMICAS. By José Borrell y Maciá. Barcelona: Bosch, 1946, 214 p. Ptas. 25.

A theoretical treatise by a Catalan industrial engineer.

ECONOMIC REBIRTH. By R. G. Hawtrey. New York: Longmans, 1947, 161 p. $2.00.

An analysis of the economic problems, especially those of finance, facing the postwar world, by the President of the Royal Economic Society. Mr. Hawtrey accepts the necessity for a large degree of economic planning by government.

ECONOMIA DI GUERRA. By Alberto Bertolino. Florence: Nuova Italia, 1946, 134 p. L. 200.

A systematic, theoretical little treatise.

ECONOMIC RESEARCH AND THE DEVELOPMENT OF ECONOMIC SCIENCE AND PUBLIC POLICY. New York: National Bureau of Economic Research, 1946, 198 p. $1.00.

Twelve papers presented by American and European authorities at the 25th anniversary meeting of the Bureau in June 1946.

THE SERVILE STATE. By Hilaire Belloc. New York: Holt, 1946, 189 p. $2.50.

In this book, originally published in England in 1912, a noted English writer rejects both Socialism and capitalism in favor of "the distributive state" which he tells us actually existed in Europe between the demise of feudalism and the rise of modern capitalist society.

CAPITALISM, SOCIALISM, AND DEMOCRACY. By Joseph A. Schumpeter. New York: Harper, 1947, 411 p. $3.50.

A revised edition of an important work first reviewed in April 1943.

NEW FOUNDATIONS. By Ernie Trory. Brighton: Crabtree Press, 1946, 115 p. 6/.

Articles on nationalism, race hatred, the Jewish problem, and relations between the Great Powers, by a British Leftist observer.

LA PAIX ÉTERNELLE, EST-ELLE UNE UTOPIE? By Louis Nemès. Paris: Nagel, 1946, 227 p. Fr. 132.

No, says M. Nemès, on condition that the peoples of the world embrace Socialism and thereby cause their relations with one another to transcend the confining bonds of nationalism.

WHY MEN HATE. By Samuel Tenenbaum. New York: Beechhurst Press (for the Jewish Book Guild of America), 1947, 368 p. $3.50.

Forty-five brief essays on the psychological and cultural factors of social antagonism.

HIROSHIMA. By G. Wilson Knight. London: Dakers, 1946, 131 p. 6/.

Poetry rather than science or religious faith offers mankind deliverance from the fate implied in the atom bomb, holds Mr. Knight.

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MODERN TRENDS IN ISLAM. By H. A. R. Gibb. Chicago: University of Chicago Press, 1947, 141 p. $2.50.

An acute analysis of contemporary "modernist" tendencies among Moslems, by an outstanding British Arabist.

HEIRS OF THE PROPHETS. By Samuel M. Zwemer. Chicago: Moody Bible Institute, 1946, 137 p. $2.00.

An American authority on Islam describes the personnel and functioning of Moslem mosques and religious fraternities.

The Second World War

WARTIME CORRESPONDENCE BETWEEN PRESIDENT ROOSEVELT AND POPE PIUS XII. Edited by Myron C. Taylor. New York: Macmillan, 1947, 127 p. $2.50.

The texts of these messages, in some cases brief and of a formal nature, are connected by "explanatory notes" by Mr. Taylor, Personal Representative of the President to the Pope.

LOST TREASURES OF EUROPE. Edited by Henry La Farge. New York: Pantheon Books, 1946, 427 p. $5.00.

An illustrated record of the damage done by the recent war to Europe's architectural gems.

THE WAR: SIXTH YEAR. By Edgar McInnis. New York: Oxford University Press, 1947, 344 p. $3.00.

The concluding volume in a worth-while series.

THE TURN OF THE ROAD. By "Bartimeus." London: Chatto and Windus, 1946, 122 p. 7/6.

A popular account of the part played in the North African campaign (1942–43) by the Royal and Merchant Navies.

ONWARD FROM D-DAY. By Major-General H. Rowan-Robinson. London: Hutchinson, 1946, 175 p. 16/.

Comments on operations in all theaters from the liberation of France to the atomic bomb, by a noted British military writer.

MEN UNDER FIRE. By R. W. Thompson. London: Macdonald, 1946, 160 p. 9/.

A war correspondent observes the heroism of the men in the forward fighting positions.

R.A.A.F. OVER EUROPE. Edited by Frank Johnson. London: Eyre, 1946, 189 p. 10/6.

An illustrated record of the part played by Australian fliers in the victory over Germany.

JOURNEY TO LONDON. By Dik Lehmkuhl. London: Hutchinson, 1946, 152 p. 10/6.

The dramatic story of the odyssey of the Norwegian Government in the spring of 1940 as it fled northward from Oslo and eventually to a very active exile in London.

THIS IS THE STORY. By David L. Cohn. Boston: Houghton, 1947, 563 p. $3.50.

Impressions and ideas inspired by an Army-sponsored tour of western Europe, the Mediterranean and the CBI theater shortly before the end of the war.

CONFESSION OF FAITH. By Peter Baker. London: Falcon Press, 1946, 233 p. 7/6.

An account of the author's war service in several countries, including operations with the French and Dutch resistance movements.

AS THEY WERE. By A. Peter Dewey. New York: Beechhurst Press, 1946, 283 p. $2.75.

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A young American tells of experiences in France during the Sitzkrieg, and then the Blitzkrieg. After a varied war service he was killed in Saigon following V-J Day.

The United States

THE UNITED STATES IN WORLD AFFAIRS 1945–1947. By John C. Campbell. New York: Harper (for the Council on Foreign Relations), 1947, 585 p. $5.00.

This survey of the development of the main problems of American foreign relations from the end of the war to the spring of 1947 is the first of a new series of annual volumes, similar to those published under the auspices of the Council on Foreign Relations from 1931 to 1940. The author has devoted himself to narration rather than interpretation; covering two years in one volume, he has included a surprising amount of information in a framework of reasoned analysis. For reference purposes the bibliography and chronology of events should prove most useful.

INSIDE U.S.A. By John Gunther. New York: Harper, 1947, 979 p. $5.00.

Mr. Gunther's latest book is derived in large part from on-the-spot conversations and impressions, and is an admirably graphic and sensitive report on the local problems and peculiarities of all parts of the nation.

AMERICAN DIPLOMACY IN THE FAR EAST 1942–1943. VOLUME V. Edited by K. C. Li. New York: The Author, 1946, 912 p. $8.00.

"A collection of the official press releases and statements of the Department of State, addresses of official spokesmen, as well as reports and debates of the Congress of the United States, from January 1, 1942, to December 31, 1943," arranged chronologically.

THE LEAGUE: A REVIEW OF AMERICAN FOREIGN POLICY FROM 1914 TO 1946. By Myron M. Johnson. Boston: House of Edinboro, 1946, 52 p. $1.00.

Brevity is the keynote of this "review."

WITH FIRMNESS IN THE RIGHT. By Cyrus Adler and Aaron M. Margalith. New York: American Jewish Committee, 1946, 489 p. $4.00.

This record of official intervention by the United States Government on behalf of oppressed Jews in other countries covers the period 1840–1945.

THE STUDY OF INTERNATIONAL RELATIONS IN AMERICAN COLLEGES AND UNIVERSITIES. By Grayson Kirk. New York: Council on Foreign Relations, 1947, 113 p. $2.00.

A survey of the problems facing educators in a new and imperfectly organized field of knowledge, with constructive suggestions for dealing with them.

MISSOURI COMPROMISE. By Tris Coffin. Boston: Little, Brown, 1947, 315 p. $3.00.

Washington during the Truman Administration as seen by a somewhat critical Columbia Broadcasting correspondent there.

CONGRESS AT THE CROSSROADS. By George B. Galloway. New York: Crowell, 1946, 374 p. $3.50.

An authoritative analysis of the purpose and functions of Congress, with suggestions for improvement. The author is staff director of the Joint Committee on the Organization of Congress.

AMERICA'S NEEDS AND RESOURCES. By J. Frederic Dewhurst and Others. New York: Twentieth Century Fund, 1947, 810 p. $5.00.

A compendious statistical exposition of present resources and trends, with a look into the future.

PLANNING AND PAYING FOR FULL EMPLOYMENT. Edited by Abba P. Lerner and Frank D. Graham. Princeton: Princeton University Press, 1946, 222 p. $3.00.

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These essays on various aspects of full employment are based on discussions sponsored by the American Labor Conference on International Affairs. A number of viewpoints are represented and some attempt is made at defining the area of agreement and the points of difference.

STEEL IN THE WAR. By Douglas A. Fisher. New York: U. S. Steel Corp., 1946, 164 p.

Many photographs and brief text describing the many-sided contribution of the U. S. Steel Corporation to victory.

OIL FOR VICTORY. By the Editors of *Look*. New York: Whittlesey House, 1946, 287 p. $3.50.

A pictorial history, with a modicum of text, of the achievements of the American petroleum industry, primarily during the recent war.

WILSON: THE ROAD TO THE WHITE HOUSE. By Arthur S. Link. Princeton: Princeton University Press, 1947, 570 p. $5.00.

This is the first installment of what promises to be an important and enduring biography of Wilson, based wherever possible on the primary sources. The author is a member of the history department at Princeton, and in this volume he covers the years 1902–12.

SHIRT-SLEEVE DIPLOMAT. By Josephus Daniels. Chapel Hill: University of North Carolina Press, 1947, 547 p. $5.00.

This fifth volume in Mr. Daniels' autobiography covers the period (1933-1942) when he was putting the Good Neighbor Policy into effect in Mexico as American Ambassador there.

JOURNEY THROUGH MY YEARS. By James M. Cox. New York: Simon and Schuster, 1946, 463 p. $4.50.

This autobiography of the pro-League Democratic candidate for the Presidency in 1920 provides many interesting sidelights on American politics during the last half-century.

FRANKLIN D. ROOSEVELT: AN INFORMAL BIOGRAPHY. By Alden Hatch. New York: Holt, 1947, 413 p. $3.75.

This "informal biography," though purportedly resting on historical fact, reads more like an historical novel.

TRUMAN SPEAKS. Edited by Cyril Clemens. New York: Didier (for the International Mark Twain Society), 1946, 128 p. $2.00.

Representative speeches by Mr. Truman as Senator and President.

Western Europe

EUROPEAN WITNESS. By Stephen Spender. New York: Reynal, 1946, 246 p. $3.00.

Mr. Spender, prominent British poet, was sent to Germany on an official cultural mission shortly after V-E Day. This is not so much a report on conditions observed in the British Zone as of ideas which they inspired. The author also visited liberated France and a number of its leading literary and artistic lights.

CONQUERORS' PEACE. By Bud Hutton and Andy Rooney. Garden City: Doubleday, 1947, 92 p. $1.50.

Two *Stars and Stripes* reporters return to France and Germany and come back with these candid word pictures, some of them highly uncomplimentary to United States occupation forces.

LES LETTRES SECRÈTES ÉCHANGÉES PAR HITLER ET MUSSOLINI. Paris: Éditions du Pavois, 1946, 190 p. Fr. 75.

French versions of the correspondence between Hitler and Mussolini (January 1940

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to May 1943). M. André François-Poncet has reviewed the relations of the two leaders in 55 introductory pages, while the editors have supplied brief connecting paragraphs.

FRANKREICH VON GAMBETTA ZU CLEMENCEAU. By Werner Richter. Erlenbach-Zürich: Rentsch, 1946, 496 p. Swiss Fr. 18.

A political history of the Third Republic, by a Swiss biographer.

TÉMOIGNAGE. By Albert Lebrun. Paris: Plon, 1945, 260 p. Fr. 100.

M. Lebrun was President of the Republic at the time of the fall of France in June 1940, but in July of that year he was succeeded by Pétain as head of the French state. This is his story of what he saw and heard during the Battle of France, the collapse and the early days at Vichy, and of his deportation to Germany. The author concludes with a lengthy chapter on "what the future treaty of peace should be" and another in which he describes and criticizes the position of the President under the Third Republic.

A SHORT HISTORY OF LABOUR CONDITIONS UNDER INDUSTRIAL CAPITALISM. VOLUME IV. FRANCE: 1700 TO THE PRESENT DAY. By Jürgen Kuczynski. London: Muller, 1946, 210 p. 10/6.

A Marxist interpretation, replete with statistics, showing the transformation of French economic life from a feudal to a modern capitalist basis.

THE TRICOLOUR FLIES AGAIN. By Sven Aurén. London: Hammond, 1946, 200 p. 12/6.

The first year in liberated Paris as seen by the correspondent of the *Svenska Dagbladet.*

CROSS-CHANNEL. By Alan Houghton Brodrick. London: Hutchinson, 1946, 192 p. 21/.

Vivid and pleasant impressions of the French and their country.

A PEOPLE WHO LOVED PEACE. By Roy Walker. London: Gollancz, 1946, 111 p. 3/6.

The story of how the Norwegian people behaved under the rule of the Nazis and their Quisling Government, related by one who believes in non-violent resistance.

THE HISTORY OF LIBERTY IN GERMANY. By Rudolf Olden. London: Gollancz, 1946, 176 p. 7/6.

This somewhat meandering essay was written before World War II and is the author's last work, as he died in 1940. He finds in the militarism of the Prussian Junkers the great obstacle to liberalism in Germany, and declares that the failure of the Germans to defend their liberties was "because they never obtained their freedom by fighting for it."

DE L'ESPRIT POLITIQUE DES ALLEMANDS. By Robert Redslob. Paris: Médicis, 1946, 168 p. Fr. 150.

The Germans lack that sense of balance and moderation necessary for success in political affairs, avers the dean of the law faculty at Strasbourg University.

HOW IT HAPPENS. By Pearl S. Buck and Erna von Pustau. New York: Day, 1947, 276 p. $3.00.

This is the third in the author's dialogue series, and describes Germany from 1914 to 1933 through the medium of an anti-Nazi German woman.

THE WEIMAR REPUBLIC. By Godfrey Scheele. London: Faber, 1946, 360 p. 18/.

A systematic history and objective appraisal of 14 crucial years in German history, of which the *Leitmotiv* is the rôle of the Republic as a spawning ground for Nazism.

SOUVENIRS D'UNE AMBASSADE À BERLIN. By André François-Poncet. Paris: Flammarion, 1946, 356 p. Fr. 150.

The author was French Ambassador in Germany from 1932 to 1938, and, though his memoirs contain no startling revelations, they are valuable for their astute characterizations and corroborative detail.

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THEY ALMOST KILLED HITLER. By Fabian von Schlabrendorff. New York: Macmillan, 1947, 150 p. $2.50.

Von Schlabrendorff was one of the leaders of the anti-Nazi military conspiracy in Germany, authoritatively described in Allen Dulles' "Germany's Underground." He himself carried out a daring but unsuccessful attempt on Hitler's life in March 1943. His story, as prepared and edited by Gero von S. Gaevernitz, supplements with dramatic detail the account given by Dulles.

BERLIN UNDERGROUND: 1938–1945. By Ruth Andreas-Friedrich. New York: Holt, 1947, 312 p. $3.00.

The diary, running from 1938 to 1945, of a German who belonged to a small middle-class anti-Nazi group in Berlin and who describes its activities against the régime and the war.

THE LAST DAYS OF HITLER. By H. R. Trevor-Roper. New York: Macmillan, 1947, 254 p. $3.00.

The author, a British Intelligence officer, was in charge of the investigation into Hitler's last days and presumed death. He is convinced beyond any doubt that the Führer and Eva Braun died in the Chancellory bunker on April 30, 1945, and that their bodies were burned in the garden above. Some skeptics may not be persuaded by Trevor-Roper's evidence and deductions, nor can all his *obiter dicta* on the Nazi régime be accepted; but taken as a whole his work is a first-rate piece of historical research, besides making fascinating reading.

NAZI GERMANY'S WAR AGAINST THE JEWS. Edited by Seymour Krieger. New York: American Jewish Conference, 1947, 618 p. $5.00.

A compilation of documents demonstrating the cold and planned ferocity of the Nazis' anti-Semitic campaign.

GERMAN YOUTH: BOND OR FREE. By Howard Becker. New York: Oxford University Press, 1947, 286 p. $4.00.

A history of the youth movements in Germany since the latter part of the nineteenth century, with special attention to the Hitlerjugend and its heritage in present-day Germany. The author is a professor of sociology at the University of Wisconsin.

GERMAN LABOR COURTS. By Frieda Wunderlich. Chapel Hill: University of North Carolina Press, 1946, 252 p. $3.50.

A thoroughly documented study of their development and operation. Ernst Fraenkel has contributed a chapter on "The Labor Courts in the German Judicial System."

LOS RUSOS EN ALEMANIA. By Walter Yunkers. Barcelona: Mateu, 1946, 178 p. Ptas. 10.

An unflattering picture of Soviet rule in eastern Germany.

OESTERREICHS HISTORISCHE MISSION IN EUROPA. By Clemens Graf zu Brandis. New York: Heinman, 1946, 234 p. $3.50.

These essays, dealing *inter alia* with the problem of Danubian unity or federation, were written before the end of the war.

GESCHICHTE DER SCHWEIZERISCHEN NEUTRALITÄT. By Edgar Bonjour. Basel: Helbing, 1946, 434 p. Swiss Fr. 22.

A professor at the University of Basel presents a documented review of the foreign policy of the Swiss federation since the seventeenth century.

ITALY IN TRANSITION. By G. R. Gayre. London: Faber, 1946, 254 p. 12/6.

Colonel Gayre was educational adviser to the Military Government in Italy during 1943–44. This diary records his forthright impressions and opinions about that early period of Allied control there.

REPORT FROM SPAIN. By Emmet John Hughes. New York: Holt, 1947, 323 p. $3.00.

Mr. Hughes, an experienced journalist, was press attaché at the American Embassy

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in Madrid from 1942 to 1946. His book is a thoughtfully composed indictment of the Franco régime as a police state resting on the Falange, the Army and the Church. The two concluding chapters discuss the failure of Allied diplomacy in Spain during and since the war. Mr. Hughes is himself a Catholic.

THE FORGING OF A REBEL. By Arturo Barea. New York: Reynal, 1946, 739 p. $5.00.

Barea, a Socialist and patent agent, was press censor in Madrid during much of the siege. Though only a third of this discerning and even-minded autobiography deals with the Civil War era, it is nonetheless interesting as a reflection of life in modern Spain.

SPAIN: AN INTERPRETATION. By Angel Ganivet. London: Eyre, 1947, 136 p. 8/6.

This philosophical interpretation of Spain, her history and her place in the world, first appeared over half a century ago (as "Idearium Español"), but it is of enduring timeliness.

THE SPIRIT OF CATALONIA. By J. Trueta. New York: Oxford University Press, 1947, 198 p. $3.00.

An affectionate reëvocation of the country's historical greatness and of its spiritual and institutional heritage.

FRENTE ROJO CONTRA ESPAÑA. By El Caballero Audaz. Madrid: Ediciones Caballero Audaz, 1946, 306 p. Ptas. 16.

Rabid anti-Communist diatribes. Two other volumes by the same author, and published in 1946 by the same firm, are: "Rusia . . . ,¡ Jamás!" (338 p. Ptas. 15) and "Gracias a España . . ." (299 p. Ptas. 15).

POLÍTICA NAVAL DE LA ESPAÑA MODERNA Y CONTEMPORÁNEA. By M. Fernández Almagro. Madrid: Instituto de Estudios Políticos, 1946, 281 p. Ptas. 20.

A history of Spanish naval power since Philip II.

AYER, 1892–1931. By Carlos Martínez de Campos y Serrano. Madrid: Instituto de Estudios Políticos, 1946, 476 p. Ptas. 40.

The reminiscences of a Spanish general whose career took him into various parts of Europe, the Near East, North Africa and the Orient.

Eastern Europe

STALIN MUST HAVE PEACE. By Edgar Snow. New York: Random House, 1947, 184 p. $2.50.

Most of this volume comprises three articles originally published in *The Saturday Evening Post*, where they created quite a stir. The fourth chapter is new. Snow's object is to explain, but not necessarily reconcile, the Soviet and American positions. Above all, he insists that Russia needs a long period of peace in which to recuperate and carry forward her plans for industrialization.

WHY THEY BEHAVE LIKE RUSSIANS. By John Fischer. New York: Harper, 1947, 262 p. $2.75.

Mr. Fischer, an editor of *Harper's Magazine*, has read a lot about Russia and spent two months in the Ukraine during the spring of 1946 as an official in UNRRA. He comes to conclusions similar to Snow's — that Russia and America can't be expected to like each other but that they can nevertheless get along for the time being since the men in the Kremlin cannot risk a war at present.

RUSSIA IN PERSPECTIVE. By George Soloveytchik. New York: Norton, 1947, 244 p. $3.00.

On the whole this is an objective, if not profound, statement of the enduring historical, geographic and economic factors that condition Russian policy, at home and abroad.

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BLUEPRINT FOR WORLD CONQUEST. Chicago: Human Events, 1946, 263 p. $3.50.

Passages from the statutes, rules and program of the Communist International, selected to illustrate the world-wide revolutionary aims of that organization.

USSR: A CONCISE HANDBOOK. Edited by Ernest J. Simmons. Ithaca: Cornell University Press, 1947, 494 p. $4.50.

Articles by several hands and of varying but generally high standard, originally prepared for the "Encyclopedia Americana."

I MARRIED A RUSSIAN. Edited by Lucie Street. New York: Emerson Books, 1947, 331 p. $3.00.

Revealing sidelights on life in Russia (*i. e.* at Kharkov from 1930 to 1945) as lived by an Englishwoman who married a Soviet scientist.

DĚJINY VÉCHODNÍCH SLOVANŮ. By Josef Macurek. Prague: Melantrich, 1947, 3 v. Kč. 200.

This is a serious historical survey of the political, social and cultural trends in the history of east European Slavs. Valuable maps and bibliographies.

50 VUOTTA SUOMEN TEOLLISUUTTA JA TALOUTTA. Helsinki: Suomalaisten Teknikkojen Seura, 1946, 596 p. M. 1000.

A review of the last half century of economic and industrial progress in Finland.

O STÁTE ČESKÉM. By Pavel Stránský. Prague: Sfinx, 1946, 326 p. Kč. 115.

An interesting handbook, from a nationalistic standpoint, of the various events, personalities and places of Czech history.

SHORT INTRODUCTION TO THE PRINCIPAL STRUCTURAL PROBLEMS OF AGRICULTURE IN ROUMANIA. By M. Gormsen. Bucharest: Roumanian Institute of Economics, 1946, 77 p.

A good recent survey of the basic problem of Rumania.

THE GREEK DILEMMA: WAR AND AFTERMATH. By William Hardy McNeill. Philadelphia: Lippincott, 1947, 291 p. $3.50.

This is certainly one of the more important and timely books of the year. McNeill, on the history staff at Cornell when the war broke out, served as assistant military attaché in Athens from November 1944 to June 1946. His book, though sent to press before the enunciation of the Truman Doctrine, by giving a first-rate account of affairs and personalities in contemporary Greece, provides an authoritative background against which to project subsequent events. On the whole, it is a most disheartening picture that he paints.

CORRESPONSAL EN BUDAPEST. By Eugenio Suarez. Madrid: Aspas, 1946, 314 p. Ptas. 20.

Impressions and emotions, by a Spanish journalist who was in Hungary during the recent war.

The British Commonwealth of Nations

THE PURPOSE OF PARLIAMENT. By Quintin Hogg. London: Blandford Press, 1946, 198 p. 10/6.

A keen analysis of the institutional and psychological basis for Britain's parliamentary democracy, by a leader of the younger Conservatives.

FASCISM INSIDE ENGLAND. By Frederic Mullally. London: Morris, 1946, 100 p. 6/.

A documented exposé of Mosley and the danger he represents.

STATESMEN AND SEA POWER. By Admiral Sir Herbert Richmond. New York: Oxford University Press, 1947, 369 p. $5.00.

Starting with the Age of Elizabeth, Admiral Richmond shows how British statesmen,

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as distinguished from the professional sailors, provided for the growth and power of the British Navy through long-range planning and direction. This penetrating study is an expansion of the Ford Lectures delivered at Oxford in 1943 and was published shortly before the author's death.

THE BRITISH PEOPLE, 1746-1946. By G. D. H. Cole and Raymond Postgate. New York: Knopf, 1947, 600 p. $5.00.

A revised and expanded version of a useful synthesis of social and economic history by two Socialist writers.

DEMOCRACY ALIVE. By Sir Stafford Cripps. London: Sidgwick and Jackson, 1946, 131 p. 12/6.

Selected addresses on various topics, including five on international affairs, delivered between 1943 and 1945 by the noted Labor leader, now President of the Board of Trade.

LABOUR CONDITIONS IN GREAT BRITAIN 1750 TO THE PRESENT. By Jurgen Kuczynski. New York: International Publishers, 1946, 191 p. $2.50.

This is a revised version of the author's "Short History of Labour Conditions in Great Britain and the Empire" (published in 1942) in so far as it concerns Britain.

TRIAL OF WILLIAM JOYCE. Edited by J. W. Hall. Edinburgh: Hodge, 1946, 312 p. 15/.

The record of the trial of "Lord Haw-Haw."

THUNDERBOLTS. By Major-General J. F. C. Fuller. London: Skeffington, 1946, 139 p. 12/6.

Further animadversions, published and unpublished and chiefly on the recent war, by a highly articulate and opinionated British officer, whose "Watchwords" were reviewed here in the October 1946 issue.

SCOTLAND'S RECORD. Edited by W. M. Ballantine. Edinburgh: Albyn Press, 1946, 184 p. 12/6.

Scotland's contribution to Britain's war effort, described by 37 writers.

MONTGOMERY. By Alan Moorehead. New York: Coward-McCann, 1947, 255 p. $4.00.

A friendly account of the Field-Marshal's life and military career, strengthened by the author's many opportunities to observe his subject closely in the recent war.

SHORT JOURNEY. By E. L. Woodward. New York: Oxford University Press, 1946, 243 p. $3.00.

The charming autobiography of an English historian, at present professor of international relations at Oxford.

A SHORT HISTORY OF LABOUR CONDITIONS UNDER INDUSTRIAL CAPITALISM: VOLUME I, PART 2: THE BRITISH EMPIRE 1800 TO THE PRESENT DAY. By Jurgen Kuczynski. London: Muller, 1945, 193 p. 8/6.

The "empire" means the Dominions, for only a brief chapter is given to the colonies. This is an expansion of the author's single-volume (1942) edition on "Great Britain and the Empire."

MISSING FROM THE RECORD. By Colonel Dick Malone. Toronto: Collins, 1946, 227 p. $3.00.

A newspaperman with the Public Relations branch of the Canadian Army reveals some behind-the-scenes political manœuvres both at home and in the field.

CANADIAN AGRICULTURAL POLICY. By Vernon C. Fowke. Toronto: University of Toronto Press, 1946, 304 p. $3.50.

A scholarly history from colonial days to the 1930's, by a professor at the University of Saskatchewan.

NEWFOUNDLAND: ECONOMIC, DIPLOMATIC, AND STRATEGIC STUDIES. Edited by R. A. MacKay. New York: Oxford University Press, 1947, 577 p. $8.50.

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This scholarly work, by one Newfoundland and five Canadian experts, fills a long-felt need for an authoritative treatment of the domestic and international problems of the former Dominion.

INDIA'S FOREIGN POLICY. By Iqbal Singh. Bombay: Hind Kitabs, 1946, 83 p. Rs. 1/8.

The author briefly canvasses the international problems that will confront an independent India. He assumes that, at least in foreign affairs, Indian policy will present a united front.

WHAT CONGRESS AND GANDHI HAVE DONE TO THE UNTOUCHABLES. By B. R. Ambedkar. Bombay: Thacker, 1946, 399 p. Rs. 12/8.

The political leader of the Untouchables brings evidence to show that Gandhi and his party do not represent the interests of the Depressed Classes.

EUROPE LOOKS AT INDIA. By Alex Aronson. Bombay: Hind Kitabs, 1946, 200 p. Rs. 5.

"A study in cultural relations" showing Europe's growing awareness of India.

INDIA CAN LEAD. By Kewal Motwani. Bombay: Phoenix, 1946, 91 p. Rs. 2.

Tract on the need for research in the social sciences in India.

GOOD-BYE INDIA. By Sir Henry Sharp. New York: Oxford University Press, 1947, 244 p. $4.25.

Reminiscences of an India — British-ruled — that is no more.

The Near East

CONSTITUTIONS, ELECTORAL LAWS, TREATIES OF STATES IN THE NEAR AND MIDDLE EAST. Edited by Helen Miller Davis. Durham (N. C.): Duke University Press, 1947, 446 p. $5.00.

Over threescore documents, arranged by country and given in English or French translation.

STALIN EN EL ORIENTE MEDIO. By Gregor Agabekow. Madrid: Nos, 1946, 317 p. Ptas. 20.

These are presented as the memoirs of a onetime head of the Near Eastern section of the G. P. U.

LIFE IN MODERN TURKEY. By E. W. F. Tomlin. Edinburgh: Nelson, 1946, 94 p. 5/.

A succinct, well-informed introduction to the country, its people and their way of life.

AT TABIYAT-L-WATANIYYA. By G. Shahla and Shafiq Geha. Beirut: Farrukh, 1946, 314 p. 12/.

A description of the govenment of the Lebanon.

BEHIND THE SILKEN CURTAIN. By Bartley C. Crum. New York: Simon and Schuster, 1947, 297 p. $3.00.

Mr. Crum was a member of the recent Anglo-American Committee on Palestine, and in this volume he has set down not only his impressions but his very forthright beliefs as to what should be done to provide a homeland for the Jews. He is pro-Zionist and unsympathetic to the Arab nationalist case.

THE PALESTINE PROBLEM AND ITS SOLUTION: A NEW SCHEME. By Siegmund Kaznelson. Jerusalem: Jewish Publishing House, 1946, 117 p. £P. 550.

The author's proposed scheme includes partition into a British-controlled enclave at Jerusalem, a Jewish state and an Arab state (the latter to include Trans-Jordan).

PALESTINE'S ECONOMIC FUTURE. Edited by J. B. Hobman. New York: Heinman, 1946, 310 p. $5.00.

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A wealth of factual material and illustrations show recent progress, chiefly by the Jewish community.

THE PALESTINE YEAR BOOK, 5707. Edited by Sophie A. Udin. New York: Zionist Organization, 1946, 658 p. $3.75.

This second volume in a new series covers events July 1945-September 25, 1946.

TARIKH RAWABET SYASI IRAN BA DONYA. By Najufgholi Moezi (Hessamoddolek). Teheran: Hejazi, 1946, 450 p. 30/.

A diplomatic history of Iran.

The Far East

NO PEACE FOR ASIA. By Harold R. Issacs. New York: Macmillan, 1947, 295 p. $3.50.

A *Newsweek* correspondent with considerable experience in the Orient lays bare the many sore spots of Asia and some of the none-too-savory events which since V-J Day have given the lie to those who had pronounced funeral orations over western imperialism.

WHITE MAN YELLOW MAN. By Arva C. Floyd. New York: Abingdon-Cokesbury, 1946, 207 p. $1.75.

The racial conflict in the Far East, actual and potential, viewed by an American missionary.

REVOLUTION AND COUNTER-REVOLUTION IN CHINA. By M. N. Roy. Calcutta: Renaissance, 1946, 689 p. Rs. 15.

The author, an Indian Communist, was a representative of the Comintern in China during the twenties and writes with authority of the relations between the Communists and Chiang Kai-shek. This work was originally published in German in 1930 but only now in English, with two new chapters and an epilogue.

CHINA: A SHORT HISTORY. By Owen and Eleanor Lattimore. New York: Norton, 1947, 218 p. $3.00.

A revised version of "The Making of Modern China" published in 1944.

THE HISTORY OF JAPAN. By Kenneth Scott Latourette. New York: Macmillan, 1947, 290 p. $4.00.

A thoroughly revised version of the author's "The Development of Japan," first published in 1918.

BURMA AND THE JAPANESE INVADER. By John LeRoy Christian. Bombay: Thacker, 1945, 418 p. Rs. 16/8.

A revision and expansion of the author's "Modern Burma" (reviewed in the October 1942 issue of Foreign Affairs) in which the author takes account of material gathered during his wartime service in the CBI theater.

MID-PACIFIC OUTPOSTS. By Sir Albert Ellis. Auckland: Brown, 1946, 297 p. 17/6.

The author, a New Zealander, describes the work of a mission of which he was a member and which visited Nauru, Ocean, Tarawa, and the Gilbert and Ellice Islands in the fall of 1945. Illustrations.

Africa

ON GOVERNING COLONIES. By Walter Russell Crocker. New York: Macmillan, 1947, 152 p. $2.75.

A comparison of British, French and Belgian colonial policy in Africa, by a member of the British Colonial Service who on the whole believes that European rule has been beneficial to the Africans.

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EL AFRICA FRANCESA EN CRISIS. By Abd-el-Mizan. Barcelona: Montaner y Simón, 1946, 157 p.

An Arab writer seeks to present an objective account of the opening phases of the North African campaign, some of which he observed personally, together with certain general considerations on French policy in North Africa.

EVOLUCIÓN DEL RÉGIMEN LOCAL EN LAS ISLAS CANARIAS. By Leopoldo de la Rosa. Madrid: Instituto de Estudios de Administración Local, 1946, 255 p. Ptas. 30.

A documented monograph by an official at Santa Cruz de Tenerife.

Latin America

EL MOVIMIENTO OBRERO LATINOAMERICANO. By Moisés Poblete Troncoso. Mexico: Fondo de Cultura Económica, 1946, 296 p.

A survey of the legal and economic status of workers' organizations in all the Latin American Republics save Haiti.

THE PAGEANT OF MIDDLE AMERICAN HISTORY. By Anne Merriman Peck. New York: Longmans, 1947, 496 p. $4.00.

A popular history of Mexico and the Central American countries.

ANGRY MEN — LAUGHING MEN: THE CARIBBEAN CALDRON. By Wenzell Brown. New York: Greenberg, 1947, 369 p. $3.50.

Mr. Brown, author of "Dynamite on Our Doorstep" (dealing with Puerto Rico and reviewed in Foreign Affairs in the issue for July 1946) reports pungently on political affairs and social conditions in the other West Indian islands.

CUBA. By Erna Fergusson. New York: Knopf, 1946, 308 p. $3.75.

An entertaining and informative guide to the island, its history and its people.

TRINIDAD VILLAGE. By Melville J. and Frances S. Herskovits. New York: Knopf, 1947, 351 p. $4.75.

A case study of a Protestant, English-speaking community, inspired by an interest in African cultural survivals.

THE SOUTH AMERICAN HANDBOOK 1946. Edited by Howell Davies. New York: H. W. Wilson, 1946, 810 p. $1.25.

A conveniently arranged compendium of economic and travel information on all the Latin American countries.

EL SUBCONSUMO EN AMÉRICA DEL SUR. By Moisés Poblete Troncoso. Santiago de Chile: Nascimento, 1946, 428 p.

A statistical and sociological study of the effects of under-consumption in food, clothing and housing on the standard of living, by an economist at the University of Chile. Bibliography.

PERÓN. By Federico de Urrutia. Madrid: Nos, 1946, 262 p. Ptas. 20.

Praise for the man and his political program.

ORIENTACIÓN ECONÓMICA DE LA AGRICULTURA ARGENTINA. By Juan L. Tenembaum. Buenos Aires: Losada, 1946, 250 p. Pesos 5.

A comprehensive, factual survey of the economic, financial and social problems confronted by Argentina's principal industry.

EN DEFENSA DE LA LIBERTAD. By Alfredo L. Palacios. Buenos Aires: La Vanguardia, 1946, 284 p. Pesos 5.

Essays by an Argentine Socialist professor and senator.

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SOURCE MATERIAL

By Ruth Savord

I. DOCUMENTS

Documents may be procured from the following: *United States:* Gov't Printing Office, Superintendent of Documents, Washington 25, D. C. *Great Britain:* British Information Services, 30 Rockefeller Plaza, New York 20. *United Nations, League of Nations, Perm. Court of Int. Justice,* Columbia University Press, Int. Documents Service, 2960 Broadway, New York 27. *Int. Labor Office:* 734 Jackson Pl., Washington 6, D. C. Washington imprints are Government Printing Office and London imprints are His Majesty's Stationery Office, unless otherwise noted.

Aeronautics

National Aviation Council. Hearings before the Committee on Interstate and Foreign Commerce, House, 80th Cong., 1st Sess., on H.R. 220. March 24–25, 1947. Washington, 1947. 43 p. 15¢.

Establishing a National Aviation Council. Report from the Committee on Interstate and Foreign Commerce, House, 80th Cong., 1st Sess., to accompany H.R. 3587. May 23, 1947. Washington, 1947. 4 p. (H. Rept. 449.)

Africa

Inter-territorial organisation in East Africa. London, 1947. 15 p. (Colonial No. 210.) 3d.

Agriculture

Report of the Delegation of the United States of America to the third Inter-American conference on agriculture, Caracas, Venezuela, July 24–Aug. 7, 1945. Washington, 1947. 178 p. (Dept. of State Publication 2773. Conference series 94.) 40¢.

Commercial Policy and Trade

International trade organization. Hearings before the Committee on Finance, Senate, 80th Cong., 1st Sess., on trade agreements system and proposed International Trade Organization charter. Washington, 1947. 2 pts.

Participation by small business in foreign exports. Hearings before a Subcommittee of the Committee on Banking and Currency, Senate, 80th Cong., 1st Sess., on S.414. March 25, April 8, 1947. 149 p. 30¢.

Cultural Relations

United States information and educational exchange act of 1947. Hearings before a Special Subcommittee of the Committee on Foreign Affairs, House, 80th Cong., 1st Sess., on H.R. 3342. May 13–20, 1947. Washington, 1947. 241 p.

——. Report, May 21, 1947. Washington, 1947. 8 p. (H.Rept. 416.)

India

Indian policy; statement of 20th February, 1947. London, 1947. 4 p. (Cmd. 7047.) 1d.

Labor

Constitution of the International Labor Organization instrument of amendment. Hearings before a Subcommittee of the Committee on Foreign Relations, Senate, 80th Cong., 1st Sess. May 19, 1947. Washington, 1947. 19 p.

——. Report, May 28, 1947. Washington, 1947. 8 p. (S.Rept. 208.)

International Labour Conference, 30th session, Geneva, 1947. Reports. Montreal, International Labour Office, 1946.

1. Report of the Director-General. 120 p. *3.* (*2*) Non-metropolitan territories; proposed conventions. 58 p. *5.* (*2*) Employment service organisation. 132 p.

International Labour Organisation. Coal Mines Committee, 1st session, London, 1945. Report of the first session (London, December 1945). Geneva, International Labour Office, 1947. 174 p.

International Labour Organisation. Coal Mines Committee, 2nd session, Geneva, 1947. Reports. Geneva, International Labour Office, 1947.

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International Labour Organisation. Inland Transport Committee, 2nd session, Geneva, 1947. Reports. Geneva, International Labour Office, 1947.

2. Employment in inland transport. 62 p.

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Reports on agricultural, pastoral, and forest industries in the American Republics. Washington, U. S. Tariff Commission, 1947.

Argentina. 96 p. 25¢. Cuba. 64 p. 20¢.

Reports on economic controls and commercial policy in the American Republics. Washington, U. S. Tariff Commission, 1947.

Nicaragua. 25 p. 10¢.

Amending the Organic Act of Puerto Rico. Report from the Committee on Public Lands, House, 80th Cong., 1st Sess., to accompany H.R. 3309. May 26, 1947. Washington, 1947. 6 p. (H.Rept. 455.)

Incomes and expenditures of wage earners in Puerto Rico, by A. C. Hanson and M. A. Perez. Washington, 1947. 152 p. (Puerto Rico. Dept. of Labor Bulletin No. 1.)

Near East

The Agricultural development of the Middle East, by B. A. Keen. A report to the Director General, Middle East Supply Centre, May 1945. London, 1946. 126 p. 5s.

Middle East science, a survey of subjects other than agriculture, by E. B. Worthington. A report to the Director General, Middle East Supply Centre, August 1945. London, 1946. 239 p. 7s.6d.

Rural education and welfare in the Middle East, by H. B. Allen. A report to the Director General, Middle East Supply Centre, September 1944. London, 1946. 24 p. 1s.6d.

Palestine

Proposals for the future of Palestine. London, 1947. 14 p. (Cmd. 7044. Palestine No. 1.) 4d.

Peace Negotiations

Moscow meeting of the Council of Foreign Ministers, March 10–April 24, 1947; address by the Secretary of State. Washington, 1947. 18 p. (Dept. of State Publication 2822.) 10¢.

Making the peace treaties, 1941–1947. Washington, 1947. 150 p. (Dept. of State Publication 2774. European Series 24.) 50¢.

Treaties of peace with Italy, Rumania, Bulgaria, and Hungary. Hearings before the Committee on Foreign Relations, Senate, 80th Cong., 1st Sess., on Executives F, G, H and I. March 4–May 6, 1947. Washington, 1947. 196 p.

Treaty of peace with Finland. Ottawa, King's Printer, 1947. 39 p. (Treaty Series, 1947. No. 7.) 25¢.

Treaty of peace with Hungary. Ottawa, King's Printer, 1947. 49 p. (Treaty Series, 1947. No. 5.) 25¢.

Treaty of peace with Roumania. Ottawa, King's Printer, 1947. 47 p. (Treaty Series, 1947. No. 6.) 25¢.

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Investigation of un-American propaganda activities in the United States. Hearings before the Committee on Un-American Activities, House, 80th Cong., 1st Sess., on H.R. 1884 and H.R. 2122. March 24, 1947. Washington, 1947. Pt. 1 (Testimony of Hon. William C. Bullitt) 10¢.

——. Hearings, November 22, 1946. (Louis F. Budenz.) Washington, 1947. 75 p.

——. Report, April 1, 1947. (The Communist Party as an agent of a foreign power.) Washington, 1947. 56 p. (H. Rept. 209.)

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Report of the special meeting on urgent food problems. Washington, Food and Agriculture Organization, 1947. 39 p.

Economic recovery in the countries assisted by UNRRA. Washington, UNRRA, 1946. 182 p.

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1. Transport rehabilitation in Poland. 21 p. *3.* Agriculture and food in Poland. 34 p. *4. and 8.* The food situation in Austria. p. 1–2. 27 p. and 26 p. *5.* UNRRA aid to Finland. 15 p. *6.* UNRRA's welfare program in Italy. pt. 1. 29 p. *7.* Foreign trade in Poland. 45 p.

Relief assistance to the people of countries devastated by war. Report from the Committee

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ASSISTANCE to Greece and Turkey. Report from the Committee of Conference, House, 80th Cong., 1st Sess., to accompany S.938. May 13, 1947. Washington, 1947. 5 p. (H.Rept.377.)

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SECOND WORLD WAR

THE GERMAN attack on Greece, by Alexander Papagos. London, Greek Office of Information, 1946. 28 p. 1s.

SECOND WORLD WAR — TREATMENT OF ENEMIES

AMERICAN policy in occupied areas. Washington, 1947. 31 p. (Dept. of State Publication 2794.) 20¢.

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THE UNITED STATES at war; development and administration of the war program by the Federal government. Washington, 1947. 555 p. (Bureau of the Budget Historical Reports on War Administration No. 1.) $1.00.

UNITED STATES Strategic Bombing Survey. The effects of strategic bombing on German morale. Washington, 1946. Vol. II. 30¢.

STRATEGIC AND CRITICAL MATERIALS

RAW materials in war and peace. West Point, N. Y., U. S. Military Academy, 1947. 221 p.

TO STRENGTHEN the common defense by maintaining an adequate domestic rubber-producing industry. Hearings before Subcommittee No. 3 of the Committee on Armed Services, House, 80th Cong., 1st Sess., on H.J.Res.77 and H.J.Res.118. Feb. 26, 1947. Washington, 1947. P.751–918. (Subcommittee Print No. 61.) 30¢.

RUBBER production and importation policy. Hearing before a Subcommittee of the Committee on Currency and Banking, Senate, 80th Cong., 1st Sess., on S.J.Res.79, H.J.Res.77 and S.J.Res. 83. March 11, 1947. Washington, 1947. 183 p.

UNITED NATIONS AGENCIES

FOOD and Agriculture Organization of the United Nations. Washington, 1947. 26 p. (Dept. of State Publication 2826. United States–United Nations Report Series 10.) 10¢.

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UNITED NATIONS ORGANIZATION

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UNITED STATES

PROTECTION of foreign interests, by W. McH. Franklin. Washington, 1947. 328 p. (Dept. of State Publication 2693.) $1.50.

A PROGRAM for national security; report of the President's Advisory Commission on Universal Training. Washington, 1947. 448 p. 75¢.

NATIONAL defense establishment. Hearings before the Committee on Armed Services, Senate, 80th Cong., 1st Sess., on S.758 March 18–April 3, 1947. Washington, 1947. Pt. 1.

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